



Maple-Brown Abbott

Australian Geared Equity Fund

ARSN 098 112 193

Annual Financial Report
30 June 2020

Maple-Brown Abbott Australian Geared Equity Fund Annual Financial Report

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Maple-Brown Abbott Australian Geared Equity Fund

Directors' report

The directors of Maple-Brown Abbott Limited, the Responsible Entity of the Maple-Brown Abbott Australian Geared Equity Fund (the "Fund"), present their report together with the financial report of the Fund, for the year ended 30 June 2020 and the auditor's report thereon.

Responsible Entity

Maple-Brown Abbott Limited is the Responsible Entity (AFSL No. 237296).

The Responsible Entity is the investment manager of the Fund. The names of the persons who were directors of the Responsible Entity during or since the end of the year are as follows:

Name	Period of directorship
G M Rossler	Appointed 19/07/1999 (retired 05/03/2020)
R A Grundy	Appointed 01/07/2008
G R Bazzan	Appointed 01/07/2008
T T Robinson	Appointed 07/03/2013
R A R Lee	Appointed 22/10/2015
J A Elliott	Appointed 04/01/2017
S N Roberts	Appointed 04/04/2019
S S Rahmani	Appointed 14/10/2019

The registered office and principal place of business of the Responsible Entity and the Fund is Level 31, 259 George Street, Sydney, NSW 2000.

Principal activities

The Fund invests in Australian listed equities or equities expected to be listed on the Australian Securities Exchange (currently via investing in the Maple-Brown Abbott Sharemarket Fund). The Fund borrows money to gear (or leverage) its investment exposure to provide the potential for magnified long-term capital growth or loss in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

There were no significant changes in the nature of those activities during the year.

Results of operations

The Fund aims to outperform (before fees) the S&P/ASX 200 Index (Total Returns) over rolling 4 year periods.

A summary of the Fund's annual performance after fees to 30 June is set out below:

	2020	2019
	%	%
Total return*		
– Ordinary class	(40.2)	10.6
– Wholesale class	(39.1)	12.7
S&P/ASX 200 Index (Total Returns)	(7.7)	11.5

*Total return is based on the movement in withdrawal value per unit plus distributions and is before tax and after all fees and charges. Imputation credits and foreign income tax offsets are not included in the performance figures.

Maple-Brown Abbott Australian Geared Equity Fund

Directors' report (continued)

Unit prices and distributions

	2020	2019
	\$	\$
Net asset value price per unit (ex distribution as at 30 June):		
– Ordinary class	0.1737	0.3101
– Wholesale class	0.3147	0.5535
Distribution per unit for the year ended 30 June (excluding tax credits) (note 6):		
– Ordinary class	0.0156	0.0224
– Wholesale class	0.0294	0.0398

State of affairs

The Northern Trust Company (Northern Trust) has been appointed as the custodian and administration provider of the funds under a custody and fund administration agreement (Custody Agreement). Northern Trust's role as custodian is limited to holding assets of each fund. Northern Trust's services as administration provider include fund accounting, unit registry services (which are delegated to OneVue Fund Services Pty Limited by Northern Trust) and unit pricing. The Fund's assets were transferred to Northern Trust on 1 November 2019.

The spread of the novel coronavirus (COVID-19) was declared a global pandemic on 11 March 2020 by the World Health Organisation. The rapid spread of the virus has seen an unprecedented response by governments and regulators. The COVID-19 pandemic is having a significant impact on both local and global economies and financial markets. This has resulted in greater volatility in global and local capital markets and interest rates in the financial year. In response to the pandemic, the Responsible Entity evoked its pandemic plan and is actively monitoring the liquidity of the fund and any impact on the financial assets and liabilities.

In the opinion of the Responsible Entity, there were no other significant changes in the state of affairs of the Fund during the financial year under review.

Likely developments

The Fund will continue with its principal activities as detailed earlier in this report.

Events subsequent to balance date

Whilst the COVID-19 pandemic continues to create uncertainty in global markets, there has been no significant impact on the Fund since the end of the reporting period. As the investments are measured at their 30 June 2020 fair values in the financial report, any change in values subsequent to the end of the reporting period is not reflected in the Statement of Comprehensive Income or the Statement of Financial Position. However the change in the value of investments is reflected in the current unit price. The current unit price is available at maple-brownabbott.com.au/funds.

Subsequent to the end of the reporting period, the Responsible Entity has extended the facility for another six months with Westpac Banking Corporation until 28 February 2021. Refer to note 5.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2020 or on the results and cash flows of the Fund for the year ended on that date.

Maple-Brown Abbott Australian Geared Equity Fund Directors' report (continued)

Interests of the Responsible Entity

The following fees were earned by the Responsible Entity from the Fund during the year:

	2020	2019
	\$	\$
Responsible Entity fees	347,075	414,436

Please refer to note 7(b) to the financial statements for details of Fund units held by the Responsible Entity and its associates.

Indemnities and insurance premiums for the Responsible Entity and auditors

No insurance premiums are paid out of the assets of the Fund for insurance cover provided to the Responsible Entity or auditors of the Fund. So long as the Responsible Entity acts in accordance with the Constitution and the law, the Responsible Entity is generally entitled to an indemnity out of the assets of the Fund against losses incurred while acting on behalf of the Fund. The auditors of the Fund are not indemnified out of the assets of the Fund.

The Articles of Maple-Brown Abbott Limited (the Company), in conjunction with the Deed of Access, Insurance and Indemnity entered into with the directors and officers of the Responsible Entity, indemnify the directors and officers against all liabilities to another person (other than the Company or related party) that may arise from their position as directors or officers of the Company, except where the liability arises out of conduct involving lack of good faith. The Articles stipulate that the Company will meet the full amount of any such liabilities, including costs and expenses.

Environmental Legislation

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

Rounding

The Fund is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and in accordance with that Instrument, amounts in the financial report and the Directors' report have been rounded to the nearest thousand dollars unless otherwise stated.

**Maple-Brown Abbott Australian Geared Equity Fund
Directors' report (continued)**

**Lead Auditor's Independence Declaration under section 307C of the Corporations Act
2001**

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' report for the year ended 30 June 2020.

Dated at Sydney this 10 day of September 2020.

Signed in accordance with a resolution of the directors of Maple-Brown Abbott Limited.



Director of Maple-Brown Abbott Limited (ABN 73 001 208 564)



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Maple-Brown Abbott Limited as the Responsible Entity of Maple-Brown Abbott Australian Geared Equity Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Maple-Brown Abbott Australian Geared Equity Fund for the financial year ended 30 June 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Jessica Davis

Partner

Sydney

10 September 2020

Maple-Brown Abbott Australian Geared Equity Fund
Statement of Financial Position
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Cash and cash equivalents	8(a)	5	8
Financial assets at fair value through profit or loss:	9(a)		
Units in the unlisted Maple-Brown Abbott Sharemarket Fund	2, 7(b)	19,786	35,331
Interest, dividends and distributions receivable		288	415
Other receivables		-	2
Total assets		20,079	35,756
Liabilities			
Distribution payable	6	387	611
Sundry creditors and accruals		33	50
Borrowings	5	8,650	14,441
Total liabilities		9,070	15,102
Net assets attributable to unitholders - liability	3	11,009	20,654
Represented by:			
- Fair value attributable to unitholders at net asset value		11,009	20,654
		11,009	20,654

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Maple-Brown Abbott Australian Geared Equity Fund
Statement of Comprehensive Income
For the financial year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Revenue			
Distributions	7(b)	1,348	2,036
Interest		23	21
Net change in the fair value of financial instruments at fair value through profit or loss		<u>(7,918)</u>	<u>1,134</u>
		<u>(6,547)</u>	<u>3,191</u>
Expenses			
Responsible Entity fee	7(b)	347	414
Interest expense	5	<u>381</u>	<u>541</u>
		<u>728</u>	<u>955</u>
Profit/(loss) from operating activities		<u>(7,275)</u>	<u>2,236</u>
Finance costs			
Distributions paid and payable to unitholders	6	1,036	1,516
Change in net assets attributable to unitholders	3	<u>(8,311)</u>	<u>720</u>
Total comprehensive income		<u><u>-</u></u>	<u><u>-</u></u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Maple-Brown Abbott Australian Geared Equity Fund
Statement of Changes in Equity
For the financial year ended 30 June 2020

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such, the Fund has no equity and no items of changes in equity have been presented for the current or comparative year.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Maple-Brown Abbott Australian Geared Equity Fund
Statement of Cash Flows
For the financial year ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Operating activities			
Interest received		23	-
Distributions received		360	572
Other income received		-	30
Distributions paid		(736)	(692)
Responsible Entity fees paid		(432)	(446)
Interest expense paid		(312)	(541)
Net cash flows from operating activities	8(b)	<u>(1,097)</u>	<u>(1,077)</u>
Investing activities			
Proceeds from sale of investments		11,466	5,801
Purchase of investments		(2,723)	(1,438)
Net cash flows from investing activities		<u>8,743</u>	<u>4,363</u>
Financing activities			
Proceeds from applications by unitholders		1,404	1,091
Payments for redemptions by unitholders		(3,262)	(2,561)
Proceeds from borrowings		145,624	191,281
Repayments of borrowings		(151,415)	(193,415)
Net cash flows from financing activities	8(d)	<u>(7,649)</u>	<u>(3,604)</u>
Change in cash and cash equivalents		(3)	(318)
Cash and cash equivalents at the beginning of the year		<u>8</u>	<u>326</u>
Cash and cash equivalents at 30 June	8(a)	<u><u>5</u></u>	<u><u>8</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Maple-Brown Abbott Australian Geared Equity Fund

Notes to and forming part of the financial statements

For the financial year ended 30 June 2020

1 Summary of significant accounting policies

The Maple-Brown Abbott Australian Geared Equity Fund (the "Fund") is a fund domiciled in Australia and is a for profit entity. The Fund was constituted on 2 October 2002 and will terminate 80 years (less one day) from date of the commencement or at such earlier time as provided by the Fund's Constitution or by the law.

Maple-Brown Abbott Limited is the Responsible Entity. The registered office and principal place of business of the Responsible Entity is Level 31, 259 George Street, Sydney, NSW 2000.

This annual financial report covers the Fund as an individual entity.

The Annual Financial Report was authorised for issue by the directors on 10 September 2020. The directors of the Responsible Entity have the power to amend and reissue the financial report.

(a) Statement of compliance

The Annual Financial Report is a general purpose financial report which has been prepared in accordance with the Fund's Constitution (as amended), the *Corporations Act 2001* and Australian Accounting Standards.

The annual financial report of the Fund also complies with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

The Annual Financial Report of the Fund also complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

Functional and presentation currency

The annual financial report is presented in Australian dollars, which is the Fund's functional currency.

Use of estimates

The Responsible Entity makes estimates and assumptions that affect the reported amounts in the financial statements. These estimates and associated assumptions are reviewed regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The use of estimates and critical judgements in fair value measurement is described in note 9(a).

New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial year beginning 1 July 2019 that has a material impact on the fund.

Going concern basis

The annual financial report has been prepared on a going concern basis which assumes that the Fund will be able to meet its debts (including repayments of borrowings) as and when they fall due. The going concern assumption is utilised unless the Responsible Entity either intends to liquidate the Fund or cease the Fund's trading activities within 12 months of authorisation of this financial report, or has no realistic alternative but to do so.

As disclosed in note 5 Borrowings, the Fund has renewed its borrowing facility until 28 February 2021. Given this is within the 12 months following the authorisation of this report, this has caused the Directors of the Responsible Entity to consider whether the going concern basis remains appropriate.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

After careful consideration, the Directors of the Responsible Entity believe the going concern basis remains appropriate due to the following factors:

- The Responsible Entity conducts regular monitoring over loan covenants maintained by the Fund such that borrowings are not due sooner than anticipated.
- The Fund invests into liquid financial assets which could be readily sold to repay the borrowings as and when the need arises. There are no significant/anticipated liquidity concerns on the financial assets invested into the by Fund.
- The Responsible Entity intends for the Fund to continue its operations for the foreseeable future and will seek alternative funding sources as required if the existing facility is not extended beyond the term of 28 February 2021.

(c) Financial instruments

Classification

The Responsible Entity classifies the Fund's investments based on its investment strategy for managing those financial assets and their contractual cash flow characteristics. The Responsible Entity evaluates the performance and related financial information about its investments on a fair value basis in accordance with the Fund's investment strategy.

Measurement

Financial assets

The Fund's financial assets are classified either as "fair value through profit or loss" or as "amortised cost". Financial assets which are classified as "fair value through profit or loss" are recognised or derecognised by the Responsible Entity as such at trade date. They are initially recognised at fair value, excluding transaction costs, which are expensed as incurred. Thereafter they are re-measured at fair value, with any resultant gain or loss recognised immediately in the Statement of Comprehensive Income.

Financial assets' fair values are determined as follows:

Australian-listed equities held via unlisted unit trusts

Listed equities held via unlisted unit trusts are valued at the net asset value price as reported by the manager at close of business on the day the trusts are being valued.

Cash and cash equivalents

Cash and cash equivalents may include cash at bank, deposits at call with banks and term deposits and are valued at cost.

Receivables

Receivables include balances due from sale of unlisted unit trust units, distribution receivables as well as other receivables. Amounts are generally received within 30 days of being accrued for. Receivable amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition.

The amount of the impairment loss is recognised in profit or loss within other operating 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 operating expenses in profit or loss.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

Financial liabilities

Financial liabilities of the Fund are measured at “amortised cost” using the effective interest method.

Financial liabilities include borrowings, distributions payable, balances due to brokers, redemptions payable and sundry creditors and accruals which are carried at “amortised cost” using the effective interest method. These financial liabilities are of a short term nature and hence their carrying value approximates fair value.

Derivatives

Derivative financial instruments are held for trading and accounted for on a fair value basis using the most recent verifiable source of market prices. Fair values are obtained using quoted market prices or determined through the use of valuation techniques. All derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.

The Fund does not designate any derivatives as hedges in a hedging relationship.

Offsetting financial instruments

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.

(d) Revenue and expenses

Dividends are recognised as revenue on the date the shares are quoted ex-dividend. Distributions from unlisted unit trusts are recognised as at the date the unit value is quoted ex-distribution. Where a present entitlement to a distribution exists at year end, it is derived for tax purposes.

Interest on cash deposits and bank bills of exchange is calculated using the effective interest method and is recognised as revenue in the Statement of Comprehensive Income on an accruals basis.

Net change in the fair value of financial instruments at fair value through profit or loss is determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or acquisition (if the investment was acquired during the year).

Transaction costs incurred in the acquisition and disposal of assets are expensed in the Statement of Comprehensive Income on an accruals basis.

Expenses, including Responsible Entity fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

Interest expense is interest on borrowings recognised in the Statement of Comprehensive Income using the effective interest method. Interest paid is included in the Statement of Cash Flows as cash flows from operating activities.

(e) Finance costs

Distributions paid and payable are recognised in the Statement of Comprehensive Income as finance costs.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(f) Change in net assets attributable to unitholders

Unrealised gains and losses arising from movements in the fair value of assets are held within net assets attributable to unitholders. The taxable and concessionally taxed portions of realised capital gains on the disposal of investments are attributed to unitholders in the period for which they are assessable for tax purposes.

(g) Taxation

The Fund has elected into the Attribution Managed Investment Trust (AMIT) regime. On the basis that unitholders are attributed all of the taxable income of the Fund (which includes net realised capital gains) for a financial year, the Fund itself should not be liable for tax. Unitholders will be attributed a share of the taxable income of the Fund and will be required to include the amount attributed to them in their assessable income.

The price of a unit is based on the market values of underlying assets and thus may include a share of unrealised taxable capital gains/losses. Should a net gain be realised, that portion of the gain that is subject to capital gains tax will be attributed to unitholders.

Any balance of realised capital losses is not attributed to unitholders but is carried forward to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses, the excess is attributed to unitholders.

(h) Net assets attributable to unitholders

Under AASB 132, puttable financial instruments can only be classified as equity where certain strict criteria are met. The units issued by the Fund do not meet these criteria as they have different contractual features as detailed below:

- all units issued by the Fund provide unitholders with the right to redeem their units at the unitholders' option. The fair value of redeemable units is measured at the net asset value price that is payable at the Statement of Financial Position date; and
- due to the different management fee structures applying to the different classes of units (note 1(k)) the interests of unitholders does not meet the criteria to be classified as equity, as the different classes of units do not have identical features.

(i) Determination of redemption price for units in the Fund

The redemption price is determined in accordance with the Constitution and is calculated as the value of the assets of the Fund less its liabilities, adjusted for estimated transaction costs, divided by the number of units on issue.

(j) Goods and services tax (GST)

The Responsible Entity fees and other expenses are recognised net of the amount of GST recoverable as a reduced input tax credit (RITC). Receivables and payables are stated inclusive of GST. Cash flows are included in the Statement of Cash Flows on a gross basis.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

1 Summary of significant accounting policies (continued)

(k) Classes of units

The Fund has the following classes of units:

- ordinary class
- wholesale class

All classes of units in the Fund are exposed to the same underlying pool of assets. The unit classes are differentiated by the management fee structures as detailed in note 7 and by the entry fees.

2 Interests in unconsolidated structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding control and the relevant activities are directed by means of contractual arrangements. The Fund considers all investments in unlisted unit trusts to be interests in structured entities.

The Fund's maximum exposure to loss from its interests in the structured entities is equal to the total fair value of its investments in these entities. The Fund's exposure to any risk from the structured entities will cease when these investments are disposed of. The Fund does not have current commitments or intentions and contractual obligations to provide financial or other support to the structured entities. There are no loans or advances made to these entities.

The table below sets out the unconsolidated structured entities held by the Fund at 30 June:

	Asset class	Statement of Financial Position reference	Fair value
2020			\$'000
	Australian equities	Units in the unlisted Maple-Brown Abbott Sharemarket Fund	19,786
2019			
	Australian equities	Units in the unlisted Maple- Brown Abbott Sharemarket Fund	35,331

The investment manager of each unconsolidated structured entity is responsible for implementing and monitoring the entity's investment objective and strategy. The investment decisions are based on the analysis conducted by the underlying investment manager. The return of the Fund is exposed to the variability of the performance of the underlying structured entity.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

3 Net assets attributable to unitholders

	Ordinary class	Wholesale class	Total
	\$'000	\$'000	\$'000
2020			
Opening balance	2,507	18,147	20,654
Applications	204	1,724	1,928
Redemptions	(723)	(2,539)	(3,262)
Change in net assets attributable to unitholders	<u>(878)</u>	<u>(7,433)</u>	<u>(8,311)</u>
Closing balance	<u>1,110</u>	<u>9,899</u>	<u>11,009</u>
2019			
Opening balance	2,656	18,164	20,820
Applications	231	1,311	1,542
Redemptions	(420)	(2,008)	(2,428)
Change in net assets attributable to unitholders	<u>40</u>	<u>680</u>	<u>720</u>
Closing balance	<u>2,507</u>	<u>18,147</u>	<u>20,654</u>
		Ordinary class	Wholesale class
		Units	Units
		'000	'000
2020			
Opening balance		8,084	32,789
Applications		705	4,501
Redemptions		<u>(2,402)</u>	<u>(5,835)</u>
Closing balance		<u>6,387</u>	<u>31,455</u>
2019			
Opening balance		8,714	34,065
Applications		856	2,626
Redemptions		<u>(1,486)</u>	<u>(3,902)</u>
Closing balance		<u>8,084</u>	<u>32,789</u>

The Responsible Entity considers net assets attributable to unitholders as capital. This capital is invested in accordance with the provisions of the Fund's Constitution. The Responsible Entity may make additional investments in the case of net applications, or realise investments in the case of net redemptions, depending on the desired level of liquidity in the Fund. Under the Fund's Constitution, the Responsible Entity may suspend applications or redemptions if it is considered to be in the best interests of unitholders.

4 Auditor's remuneration

	2020	2019
	\$	\$
Audit services - KPMG:*		
Audit and review of the Annual Financial Report	12,210	15,683
Audit of the Compliance Plan	4,345	7,542

*The audit fees were paid by the Responsible Entity and represents the agreed fees.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

5 Borrowings

	2020 \$'000	2019 \$'000
Loan facility:		
Interest expense*	<u>381</u>	<u>541</u>
	<u><u>381</u></u>	<u><u>541</u></u>

* For the year ended 30 June the average interest rate on the loan facility was 2.2% (2019 3.4%).

Loan facility:		
Total loan facility limit	18,000	20,000
Used at balance sheet date	<u>(8,650)</u>	<u>(14,441)</u>
Unused at balance sheet date	<u><u>9,350</u></u>	<u><u>5,559</u></u>

The Fund has borrowings from Westpac Banking Corporation. The borrowings are limited to 60% of the Fund's assets and are secured by a 'negative pledge' over the assets of the Fund. The loan facility agreement matured on 31 August 2020. The Responsible Entity has extended the loan facility for another six months with Westpac Banking Corporation until 28 February 2021.

6 Distributions paid and payable

	2020		2019	
	\$'000	\$ per unit	\$'000	\$ per unit
Ordinary class				
Distribution paid - December	69	0.0101	114	0.0132
Distribution payable - June	<u>21</u>	<u>0.0055</u>	<u>74</u>	<u>0.0092</u>
	<u><u>90</u></u>	<u><u>0.0156</u></u>	<u><u>188</u></u>	<u><u>0.0224</u></u>
Wholesale class				
Distribution paid - December	580	0.0182	791	0.0234
Distribution payable - June	<u>366</u>	<u>0.0112</u>	<u>537</u>	<u>0.0164</u>
	<u><u>946</u></u>	<u><u>0.0294</u></u>	<u><u>1,328</u></u>	<u><u>0.0398</u></u>
Total distributions paid and payable	<u><u>1,036</u></u>		<u><u>1,516</u></u>	

(a) Unrealised capital gains/(losses)

	2020 \$'000	2019 \$'000
Balances at 30 June		
Net unrealised capital gains/(losses) for tax	<u>(2,867)</u>	1,910

Unrealised taxable capital gains/(losses) have been calculated in accordance with the relevant tax legislation and have not been reported in the financial statements, refer note 1(g).

7 Related parties

(a) Responsible Entity and Key Management Personnel

Maple-Brown Abbott Limited (ABN 73 001 208 564) is the Responsible Entity of the Fund. Maple-Brown Abbott Limited is also the investment manager of the Fund.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

7 Related parties (continued)

(a) Responsible Entity and Key Management Personnel (continued)

As Responsible Entity, Maple-Brown Abbott Limited is regarded as fulfilling the role and obligations of key management personnel of the Fund. The directors of Maple-Brown Abbott Limited are regarded as key management personnel of that company and not of the Fund.

(b) Responsible Entity

The names of the persons who were directors of the Responsible Entity during or since the end of the year are as follows:

Name	Period of directorship
G M Rossler	Appointed 19/07/1999 (retired 05/03/2020)
R A Grundy	Appointed 01/07/2008
G R Bazzan	Appointed 01/07/2008
T T Robinson	Appointed 07/03/2013
R A R Lee	Appointed 22/10/2015
J A Elliott	Appointed 04/01/2017
S N Roberts	Appointed 04/04/2019
S S Rahmani	Appointed 14/10/2019

Loans to key management personnel of Maple-Brown Abbott Limited

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

Other transactions with key management personnel of Maple-Brown Abbott Limited

Apart from those details disclosed in this note, no key management personnel of Maple-Brown Abbott Limited have entered into a contract for services with the Fund since the end of the previous financial year.

Remuneration

The Responsible Entity's fees are calculated in accordance with the Fund's Constitution (as amended). The Responsible Entity's fee is (inclusive of GST, net of RITC available to the Fund) accrued daily and paid monthly based on the gross asset value of the Fund. The total fee of \$347,075 (2019: \$414,436) is disclosed as an item of expense in the Statement of Comprehensive Income and the fee paid during the year is disclosed separately in the Statement of Cash Flows.

The Responsible Entity fee is as follows:

- Ordinary class: 2.05% per annum (2019: 2.05%)
- Wholesale class: 1.03% per annum (2019: 1.03%)

Balances payable

The aggregate amounts payable to the Responsible Entity by the Fund at 30 June are as follows:

	2020	2019
	\$	\$
Responsible Entity fees payable	19,972	36,504

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

7 Related parties (continued)

(b) Responsible Entity (continued)

Related Party Transactions

Investing activities (in other Maple-Brown Abbott funds)

The Fund may purchase and sell units in other registered managed investment schemes managed by the Responsible Entity in the ordinary course of business at application and redemption prices calculated in accordance with the Constitutions of those funds. Where the Fund invests in such other schemes, no additional investment management or responsible entity fees are charged in respect of these inter-fund investments.

Details of the Fund's investment in the Maple-Brown Abbott Sharemarket Fund are set out below:

	Number of units held at 30 June	Fair Value	Interest held	Units purchased during the year	Units sold during the year	Distributions received/ receivable during the year
2020		\$	%			\$
	22,631,552	19,785,515	29	3,976,915	13,601,479	1,347,904
2019	32,256,116	35,331,474	38	2,621,351	5,557,946	2,036,030

The transactions with the Maple-Brown Abbott Sharemarket Fund are carried out on the same terms and conditions as for other unitholders in that Fund.

Other entities associated with the Responsible Entity may hold units in the Fund from time to time in various capacities. The transactions with those other entities and any of the above related entities are carried out on the same terms and conditions as for other unitholders in the Fund.

8 Notes to the Statement of Cash Flows

(a) Components of cash and cash equivalents

	2020 \$'000	2019 \$'000
Cash at bank	5	8

Maple-Brown Abbott Australian Geared Equity Fund
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For the financial year ended 30 June 2020

8 Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of change in net assets attributable to unitholders to cash flows from operating activities

	2020 \$'000	2019 \$'000
Change in net assets attributable to unitholders	(8,311)	720
Adjustment for:		
Dividend income reinvestment	(1,116)	(1,284)
Unitholder distributions reinvested	524	451
Net change in the fair value of financial instruments at fair value through profit or loss	7,918	(1,134)
Changes in operating assets and liabilities during the year:		
Interest, dividend and distribution receivables	127	(180)
Distributions payable	(224)	372
Sundry creditors and accruals	(15)	(22)
Cash flows from operating activities	<u>(1,097)</u>	<u>(1,077)</u>

(c) Non-cash operating, financing and investing activities

The following amounts are not included in the Statement of Cash Flows:

Operating activities

Distribution income reinvestment

During the year the Fund received distributions in the form of units via a distribution reinvestment plan (DRP). The value of the units received is based on the market value as determined by the DRP rules and is detailed below:

	2020 \$'000	2019 \$'000
Distributions received in the form of units	1,116	1,284

Financing activities

Unitholder distributions reinvested

The Fund issues new units in consideration for the reinvestment of distributions payable to unitholders.

The value of the units and number of units issued or redeemed during the year is summarised below:

	2020		2019	
	\$'000	Units '000	\$'000	Units '000
Units issued:				
Unitholder distribution reinvested	524	1,090	451	1,153

Investing activities

The above distribution income reinvestments are not included in the Statement of Cash Flows relating to the purchase of investments.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

8 Notes to the Statement of Cash Flows (continued)

(d) Reconciliation of liabilities from financing activities

The net change in financing activities during the year is (\$7,648,597) which was from application and redemption transactions made by unitholders as well as proceeds and repayments of borrowings (2019: (\$3,604,125)).

9 Financial instruments

The Fund's activities may expose it to a variety of financial risks: market risk (including price risk and interest rate changes), credit risk and liquidity risk.

Since the Fund's sole investment is via the Maple-Brown Abbott Sharemarket Fund, the majority of the Fund's exposure is via this investment.

The Responsible Entity seeks to manage the Maple-Brown Abbott Sharemarket Fund's financial risks through a variety of activities, including diversification of the investment portfolio and the selection of liquid investments in accordance with the specific investment policies and restrictions set out in the Product Disclosure Statement.

The key element in the Maple-Brown Abbott Sharemarket Fund's investment philosophy is to seek to buy investments that offer relatively good long term value. The investment philosophy can also be described as contrarian and conservative, which helps to manage its financial risks.

The nature and extent of the financial instruments outstanding at the balance date and the risk management policies employed by the Responsible Entity are discussed below, together with specific investment objectives and policies applicable to the Fund and the underlying Fund, the Maple-Brown Abbott Sharemarket Fund.

While the COVID-19 pandemic has caused uncertainty and market volatility during the period, the Responsible Entity has continued to follow its established policies and process (as set out in this note) in managing risk and determining the fair value of the financial assets and liabilities as at the reporting date. No changes were required to the principles used in applying the fair value measurement hierarchy to financial assets and liabilities held, with each asset and liability continuing to be classified in a manner which reflects the significance and observability of the inputs used in the valuation.

(a) Market risk

Market risk is the risk that the value of a financial instrument will change as a result of exposure to market price changes and interest rate changes.

Price risk

The Fund's market price risk is managed on a daily basis in accordance with the following specific investment policies and restrictions.

Investment restrictions

The Fund's only exposure to investment securities is via its holding of units in the Maple-Brown Abbott Sharemarket Fund, the following section relates to the Fund's investment in the underlying fund, the Maple-Brown Abbott Sharemarket Fund.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

9 Financial instruments (continued)

(a) Market risk (continued)

The main guideline in the underlying fund in relation to portfolio composition is that the equity exposure to a single entity should not be greater than 5% above its weighting in the benchmark. Exposure to the Maple-Brown Abbott Small Companies Trust should not be greater than 5% of the market value of the Maple-Brown Abbott Sharemarket Fund.

Investment Policies

The underlying fund will invest at least 95% of its total assets in Australian equity securities.

Market exposures

As at 30 June the market exposures were as follows:

	2020	2019
	\$'000	\$'000
Financial assets mandatorily classified at fair value through profit or loss:		
Units in the unlisted Maple-Brown Abbott Sharemarket Fund	19,786	35,331
Total	19,786	35,331

Carrying amounts versus fair values

The fair values of financial assets and financial liabilities approximates their carrying amounts in the Statement of Financial Position.

Sensitivity analysis

The table below details the approximate change in net assets attributable to unitholders if there is a percentage change in the S&P/ASX 200 Index (Total Returns) (Benchmark) assuming all other variables are constant.

	2020		2019	
	% change	\$'000	% change	\$'000
Increase in Benchmark	10	2,163	10	3,682
Decrease in Benchmark	10	(2,163)	10	(3,682)

Fair value measurement recognised in the Statement of Financial Position

Fair value measurements are classified using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – fair values measured using quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 – fair values measured using directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs, other than quoted prices included in Level 1; and
- Level 3 – fair values measured using inputs that are not based on observable market data (unobservable inputs).

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
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9 Financial instruments (continued)

(a) Market risk (continued)

At 30 June the financial instruments carried at fair value split by valuation method is summarised below:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
2020				
Financial assets mandatorily classified at fair value through profit or loss:				
Units in the unlisted Maple-Brown Abbott Sharemarket Fund	-	19,786	-	19,786
Total	-	19,786	-	19,786
2019				
Financial assets mandatorily classified at fair value through profit or loss:				
Units in the unlisted Maple-Brown Abbott Sharemarket Fund	-	35,331	-	35,331
Total	-	35,331	-	35,331

Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between levels in the fair value hierarchy at the end of 30 June 2020. The transfer between levels in the fair value hierarchy for the year ended 30 June 2019 is detailed below.

	Level 1 \$'000	Level 2
2019		
Transfer between level 1 and 2:		
Australian-listed equities held via unlisted unit trust	(35,331)	35,331

Investments in units in the unlisted Maple-Brown Abbott Sharemarket Fund that was previously classified as level 1 have been transferred to level 2 to better reflect the use of the directly or indirectly observable inputs, other than quoted prices (unadjusted) in active markets, used to determine their fair value.

There were also no changes made to any of the valuation techniques applied as of 30 June 2020.

Fair value measurement

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 and equity securities) is based on last sale prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation.

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 financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
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9 Financial instruments (continued)

(a) Market risk (continued)

Fair value in an inactive or unquoted market (level 2 and 3)

The investments in unlisted trusts included as level 2 in the above table relate to investments in other funds managed by the Responsible Entity. Further details of these investments are disclosed in note 7(b). These investments are valued at their quoted net asset value price at balance date in accordance with note 1(c).

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. Quoted market prices or dealer quotes for similar instruments are used for debt securities held. The Fund may use a variety of valuation methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Valuation techniques used for non-standardised financial instruments, such as over-the-counter derivatives, include the use of comparable arm's length transactions, reference to the current fair value of a substantially similar other instrument or any other valuation technique that is commonly used by market participants which maximises the use of market inputs and relies as little as possible on entity-specific inputs.

For other pricing models, inputs are based on market data at the end of the reporting period.

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 held. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2020 or year ended 30 June 2019.

Financial instruments not measured at fair value

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values due to their short term nature.

Interest rate risk

The Responsible Entity monitors the gearing level and the overall exposure to cash and consequently interest rate sensitivity on a daily basis.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund is geared and has borrowings which are subject to interest rate risk. The majority of the Fund's financial assets and liabilities (excluding borrowings) are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates on interest bearing financial assets and liabilities (excluding borrowings).

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
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9 Financial instruments (continued)

(a) Market risk (continued)

Sensitivity analysis (borrowings)

The table below details the approximate change in net assets attributable to unitholders if there is a percentage change in interest rates assuming all other variables are constant:

	2020		2019	
	% change	\$'000	% change	\$'000
Increase in interest rate	0.5	43	0.5	72
Decrease in interest rate	0.5	(43)	0.5	(72)

Gearing risk

Gearing risk is the risk that borrowing will magnify both gains and losses made by the Fund relative to an ungeared portfolio due to movements in price and interest rates.

The funds gearing ratio is targeted to be between 40% and 60%. If through market movements the gearing ratio exceeds 60%, the Responsible Entity will take the ratio back to 60% or lower by selling Fund assets and repaying part of the borrowings. If through market movements the gearing ratio falls below 40%, the Responsible Entity will increase the gearing ratio to 40% or above by increasing borrowings and buying assets for the Fund. The Responsible Entity monitors the level of gearing in the Fund on a daily basis with the aim of achieving a prudent level of gearing such that the interest costs are met from the Fund's net dividend income.

(b) Liquidity risk

The liquidity risk to which the Fund is exposed arises because unitholders may request redemption of their units in the Fund from time to time, which under normal circumstances are payable within periods of up to five business days. Liquidity risk is managed through the Fund maintaining sufficient cash and selecting liquid investments traded on a recognised reputable stock exchange via its investment in the Maple-Brown Abbott Sharemarket Fund.

In order to manage the Fund's overall liquidity, the Fund's Constitution permits the Responsible Entity to suspend withdrawals if it's considered to be in the best interests of unitholders.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

9 Financial instruments (continued)

(b) Liquidity risk (continued)

The table below shows financial liabilities at contractual undiscounted cashflow amounts grouped into relevant maturities based on the remaining period at 30 June to the contractual maturity date:

	Less than 1 month	1-3 months	3-12 months	More than 1 year	Redeemable upon request	Total*
2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Distributions payable	387	-	-	-	-	387
Sundry creditors and accruals	33	-	-	-	-	33
Borrowings**	8,650	-	-	-	-	8,650
Net assets attributable to unitholders	-	-	-	-	11,009	11,009
Total	9,070	-	-	-	11,009	20,079
2019						
Distributions payable	611	-	-	-	-	611
Sundry creditors and accruals	50	-	-	-	-	50
Borrowings**	14,441	-	-	-	-	14,441
Net assets attributable to unitholders	-	-	-	-	20,654	20,654
Total	15,102	-	-	-	20,654	35,756

* The carrying amounts equal the contractual cashflow amounts.

** Borrowings (note 5) represent the amount drawn down at balance date which will be rolled within one month.

(c) Credit risk

Credit risk is the risk that the Fund may incur a loss if other parties fail to perform their obligations under the financial instruments which comprise the Fund's investment portfolio.

Any non-equity investments generally incorporate credit assessments in investment valuations and the risk of loss is implicitly provided for in the determination of the fair value of such investments. The Fund also has a credit risk exposure in relation to its transactions with counterparties such as brokers, banks and other financial intermediaries.

Due to the fact that the Fund's only exposure to investment securities is via its holding of units in the Maple-Brown Abbott Sharemarket Fund, this section relates to the Fund's investment in the Maple-Brown Abbott Sharemarket Fund. The Maple-Brown Abbott Sharemarket Fund manages concentrations of credit risk by transacting through a number of brokers all of whom operate on recognised and reputable exchanges. All bank bill securities held are endorsed or accepted by major Australian trading banks. The credit risk exposure to any one counterparty is low.

Total credit risk for the Fund arising from recognised financial instruments is limited to the value of the Fund's investments and receivables shown on the Statement of Financial Position.

All derivatives transactions are conducted through counterparties who are members of a recognised market exchange and are approved by the Responsible Entity.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
For the financial year ended 30 June 2020

9 Financial instruments (continued)

(d) Operational risk

Operational risk is the risk of direct or indirect loss to the Fund associated with the Responsible Entity's processes, personnel, technology and infrastructure, and from external forces (other than credit, market and liquidity risks) such as those arising from changes to legal and regulatory requirements.

The objective of the Responsible Entity in managing operational risk is to mitigate as much as possible the risk of financial losses and damage to reputation, commensurate with overall cost effectiveness.

The Responsible Entity is responsible for the development and implementation of controls to address operational risk. This responsibility is supported by the development of an overall control framework implemented to manage operational risk, key aspects of which include:

- appropriate segregation of duties, including the independent authorisation of transactions;
- cash and securities positions are completely and accurately recorded and reconciled to third party data;
- monitoring the performance of external service providers;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- reporting of operational losses and proposed remedial action, with appropriate follow-up;
- assessment and mitigation of cyber risks and development of contingency business continuity, including disaster recovery, plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

10 Offsetting financial liabilities

The Fund did not pledge any cash or scrip collateral that requires a disclosure to offset the recognised value of its borrowings. The details of the Fund's borrowings are disclosed in note 5.

Maple-Brown Abbott Australian Geared Equity Fund
Notes to and forming part of the financial statements
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11 Events subsequent to balance date

Whilst the COVID-19 pandemic continues to create uncertainty in global markets, there has been no significant impact on the Fund since the end of the reporting period. As the investments are measured at their 30 June 2020 fair values in the financial report, any change in values subsequent to the end of the reporting period is not reflected in the Statement of Comprehensive Income or the Statement of Financial Position. However the change in the value of investments is reflected in the current unit price. The current unit price is available at maple-brownabbott.com.au/funds.

Subsequent to the end of the reporting period, the Responsible Entity has extended the facility for another six months with Westpac Banking Corporation until 28 February 2021. Refer to note 5.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2020 or on the results and cash flows of the Fund for the year ended on that date.

Maple-Brown Abbott Australian Geared Equity Fund Directors' declaration

In the opinion of the directors of Maple-Brown Abbott Limited, the Responsible Entity of the Maple-Brown Abbott Australian Geared Equity Fund:

- 1 The financial statements and notes to and forming part of the financial statements are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Fund's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- 2 The financial report also complies with International Financial Reporting Standards disclosed in note 1(a); and
- 3 There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 10 day of September 2020.

Signed in accordance with a resolution of the directors of Maple-Brown Abbott Limited.



Director of Maple-Brown Abbott Limited (ABN 73 001 208 564)



Independent Auditor's Report

To the unitholders of Maple-Brown Abbott Australian Geared Equity Fund

Opinion

We have audited the **Financial Report** of the Maple-Brown Abbott Australian Geared Equity Fund (the Fund).

In our opinion, the accompanying **Financial Report** of the Maple-Brown Abbott Australian Geared Equity Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Fund's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2020
- Statement of comprehensive income for the year then ended
- Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Maple-Brown Abbott Australian Geared Equity Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Maple-Brown Abbott Limited (the Responsible Entity) are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.



We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors of Maple-Brown Abbott Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Fund's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Jessica Davis

Partner

Sydney

10 September 2020