

Bendigo Managed Wholesale Funds

Annual Report 2023

Bendigo Defensive Index Fund

ARSN 152 963 801

Bendigo Conservative Index Fund

ARSN 152 963 641

Bendigo Balanced Index Fund

ARSN 152 963 669

Bendigo Growth Index Fund

ARSN 152 963 687

Bendigo High Growth Index Fund

ARSN 152 963 721

The responsible entity and issuer of this product is Sandhurst Trustees Limited ABN 16 004 030 737 AFSL 237906
a subsidiary of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879

Sandhurst Trustees

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Responsible Entity

Sandhurst Trustees Limited
AFSL 237906
ABN 16 004 030 737

The Bendigo Centre
Bendigo, VIC, 3550
Telephone: (03) 5485 6776
Facsimile: (03) 5485 7624

Secretary of the Responsible Entity

Susan Kamler

Financial Report Auditor

Ernst & Young
Ernst & Young Building
8 Exhibition Street
Melbourne, VIC, 3000

Administration and Registry

Sandhurst Trustees Limited
Level 5, 120 Harbour Esplanade
Docklands, VIC, 3008
Telephone: 1800 634 969
Facsimile: 1800 835 800

Bendigo Managed Wholesale Funds (Index Funds)

Bendigo Defensive Index Fund
ARSN 152 963 801

Bendigo Conservative Index Fund
ARSN 152 963 641

Bendigo Balanced Index Fund
ARSN 152 963 669

Bendigo Growth Index Fund
ARSN 152 963 687

Bendigo High Growth Index Fund
ARSN 152 963 721

Directors' Report

The directors of Sandhurst Trustees Limited (the Responsible Entity), present this report on the Bendigo Defensive Index Fund, Bendigo Conservative Index Fund, Bendigo Balanced Index Fund, Bendigo Growth Index Fund and Bendigo High Growth Index Fund (the Funds) for the year ended 30 June 2023.

Directors

The name of each person who has been a director of Sandhurst Trustees Limited during the financial year and to the date of this report are:

Jennifer Lynn Dawson	Chair (retired 1 July 2022)
Vicki Carter	Chair (appointed 1 July 2022)
Richard John Baker	
Alexandra Maris Tullio	
Luke Davidson	

Company Secretary

The name of the Company Secretary at the end of the financial year and at the date of this report is:

Susan Kamler	(appointed 23 January 2023)
Melissa Lovell	(resigned 23 January 2023)

Principal activities

The principal activity of the Funds during the year was the investment in a passive portfolio of Australian based wholesale funds which invest in Australian and International equities, Australian and International fixed interest securities, listed property and cash deposits. The underlying investment managers of the Funds are Vanguard Investments Australia Limited and Sandhurst Trustees Limited.

No significant change in the nature of these activities occurred during the year. The Funds did not have any employees during the year.

Managed investment scheme

The Funds are Australian registered schemes, and were constituted on 9 September 2011. Sandhurst Trustees Limited, the Responsible Entity of the Funds, is incorporated and domiciled in Australia.

Net assets attributable to unitholders

Net assets attributable to unitholders are classified and disclosed as a liability in the Statement of Financial Position. Consequently, the Funds have recognised distributions to unitholders as a finance cost in the Statement of Comprehensive Income.

Directors' Report (continued)

Review of Results and Operations

Results and distributions	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net profit/(loss) attributable to unitholders (before finance costs)	3,316	(8,708)	24,391	(38,274)	36,757	(43,133)	38,570	(35,367)	9,043	(7,676)

Distributions to unitholders paid and payable in respect of the financial year were:

Results and distributions	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interim distributions paid	223	770	441	4,136	1,294	4,973	2,488	4,405	789	902
Final distributions payable	934	-	5,049	4,500	7,059	13,057	6,747	15,014	1,534	4,978
	1,157	770	5,490	8,636	8,353	18,030	9,235	19,419	2,323	5,880

The cents per unit of these distributions is disclosed below:

Results and distributions	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	CPU*	CPU*	CPU*	CPU*	CPU*	CPU*	CPU*	CPU*	CPU*	CPU*
Interim distributions paid	0.29	0.80	0.14	1.15	0.39	1.45	0.94	1.77	1.49	1.93
Final distributions payable	1.46	-	1.71	1.28	2.31	3.86	2.57	6.02	2.89	10.11
	1.75	0.80	1.85	2.43	2.70	5.31	3.51	7.79	4.38	12.04

* Denotes Cents Per Unit

Directors' Report (continued)

Performance

The performance of the Funds during the period is summarised in the following tables.

Bendigo Defensive Index Fund	2023	2022
	%	%
Growth return	2.27	(8.63)
Distribution return	1.67	0.63
Total return	3.94	(8.00)
Peer Performance	2.78	(6.54)

Morningstar Category Rank (5yr)	2/16	2/21
Morningstar Peer Performance Category	Multisector Conservative	

Bendigo Conservative Index Fund	2023	2022
	%	%
Growth return	4.64	(9.75)
Distribution return	1.56	1.75
Total return	6.20	(8.00)
Peer Performance	4.41	(5.84)

Morningstar Category Rank (5yr)	5/95	6/111
Morningstar Peer Performance Category	Multisector Moderate	

Bendigo Balanced Index Fund	2023	2022
	%	%
Growth return	6.47	(11.91)
Distribution return	2.08	3.46
Total return	8.55	(8.45)
Peer Performance	7.51	(6.15)

Morningstar Category Rank (5yr)	5/98	4/107
Morningstar Peer Performance Category	Multisector Balanced	

Environmental, social and governance (ESG)

The operations of the Funds are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Funds.

Significant changes in state of affairs

No significant changes in the Funds' state of affairs occurred during the year.

Bendigo Growth Index Fund	2023	2022
	%	%
Growth return	7.56	(12.72)
Distribution return	2.40	4.44
Total return	9.96	(8.28)
Peer Performance	9.15	(7.08)

Morningstar Category Rank (5yr)	15/164	7/179
Morningstar Peer Performance Category	Multisector Growth	

Bendigo High Growth Index Fund	2023	2022
	%	%
Growth return	8.50	(15.38)
Distribution return	2.99	6.63
Total return	11.49	(8.75)
Peer Performance	12.81	(7.63)

Morningstar Category Rank (5yr)	41/113	25/127
Morningstar Peer Performance Category	Multisector Aggressive	

Directors' Report (continued)

Significant events after the reporting date

There has been no matter or circumstance that has arisen since the end of the financial year that significantly affected, or may affect, the Funds' operation in future financial years, the results of those operations or the Fund's state of affairs in future financial years.

Likely developments and expected results

The investment strategy of the Funds will be maintained in accordance with the Funds' Constitutions and investment objectives as detailed in the most recent Product Disclosure Statement.

Options

No options over units in the Funds were granted during or since the end of the year and there were no options outstanding at the date of this report.

Indemnities and insurance premiums for officers or directors

Under the Funds' Constitutions, the Responsible Entity, including its officers and employees, is indemnified out of the Funds' assets for any loss, damage, expense or other liability incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Funds.

The Funds have not indemnified any auditor of the Funds.

During the financial year each director and officer of the Responsible Entity was insured against liability and legal expenses incurred in their respective capacities. This insures against certain liability (subject to specified exclusions) for persons who are or have been directors of the Responsible Entity or executive officers of the Responsible Entity.

The Responsible Entity has not provided any insurance to a related body corporate or to an auditor of the Responsible Entity.

Units on Issue

The movement in units on issue of the Funds for the year was as follows:

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000
Units issued	3,003	13,635	28,939	60,712	38,414	67,030	44,448	52,748	8,771	11,604
Units redeemed	(27,938)	(18,847)	(86,654)	(51,696)	(70,641)	(51,808)	(31,534)	(28,782)	(5,002)	(5,178)
Units on issue as at 30 June	64,043	88,978	295,007	352,722	306,049	338,276	262,181	249,267	53,004	49,235
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Value of total Fund assets as at 30 June	70,147	94,022	373,805	425,898	434,474	457,372	427,683	387,297	88,270	79,222

The basis for valuation of the Funds' assets is disclosed in Note 2 to the financial statements.

Directors' Report (continued)

Interests of the Responsible Entity

The Responsible Entity and its associates held no units in the Funds during the financial year.

The following fees were paid to Sandhurst Trustees Limited and its associates out of the Funds during the financial year:

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Management fees paid/payable to the Responsible Entity	271	343	1,365	1,561	1,578	1,755	1,497	1,529	313	311

Single set of financial statements

The Funds are entities of the kind referred to in ASIC Corporations (Related Scheme Reports) Instrument 2015/839 issued by the Australian Securities and Investments Commission ("ASIC") and in accordance with that ASIC Instrument. Funds with a common Responsible Entity (or related Responsible Entities) can include their financial statements in adjacent columns in a single set of financial statements.

Proceeds from redeeming units in a Fund can be applied to acquire units in other Funds in these financial statements. All the Funds are open-ended.

Rounding

The amounts contained in the financial report and the Directors' Report have been rounded off under the option available to the Funds under ASIC Class Order 2016/191. The Funds are entities to which the Class Order applies, and in accordance with that Class Order, amounts in the Directors' Report and the financial report have been rounded to the nearest thousand dollars (where rounding is appropriate).

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on the following page.

Signed in accordance with a resolution of the board of directors:



Vicki Carter
Chair
Melbourne
18 September 2023



**Building a better
working world**

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of Sandhurst Trustees Limited, as Responsible Entity for Bendigo Conservative Index Fund, Bendigo Balanced Index Fund, Bendigo Defensive Index Fund, Bendigo Growth Index Fund and Bendigo High Growth Index Fund

As lead auditor for the audit of the financial report of Bendigo Conservative Index Fund, Bendigo Balanced Index Fund, Bendigo Defensive Index Fund, Bendigo Growth Index Fund and Bendigo High Growth Index Fund for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

A handwritten signature in black ink, appearing to be 'Hayley Watson', written in a cursive style.

Hayley Watson
Partner
Melbourne
18 September 2023

Statement of Comprehensive Income

For the year ended 30 June 2023

	Note	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Income											
Net gains/(losses) on financial instruments at fair value through profit or loss	13	1,848	(10,340)	15,447	(48,595)	25,799	(57,307)	27,770	(49,180)	6,704	(10,778)
Interest income	3(a)	923	159	4,686	484	3,703	377	2,557	93	338	10
Distribution income	3(b)	762	1,699	5,371	10,929	8,488	15,062	9,429	14,853	2,241	3,318
Management fee rebate		72	136	326	569	426	625	393	494	91	103
		3,605	(8,346)	25,830	(36,613)	38,416	(41,243)	40,149	(33,740)	9,374	(7,347)
Expenses											
Futures fees		(7)	(13)	(29)	(67)	(32)	(84)	(37)	(68)	(7)	(13)
Administration fees		(11)	(6)	(45)	(33)	(49)	(51)	(45)	(30)	(11)	(5)
Management fees	12(c)	(271)	(343)	(1,365)	(1,561)	(1,578)	(1,755)	(1,497)	(1,529)	(313)	(311)
		(289)	(362)	(1,439)	(1,661)	(1,659)	(1,890)	(1,579)	(1,627)	(331)	(329)
Net profit/(loss) attributable to unitholders (before finance costs)		3,316	(8,708)	24,391	(38,274)	36,757	(43,133)	38,570	(35,367)	9,043	(7,676)
Finance costs											
Distribution to unitholders	3(c)	(1,157)	(770)	(5,490)	(8,636)	(8,353)	(18,030)	(9,235)	(19,419)	(2,323)	(5,880)
Change in Net Assets attributable to Unitholders		2,159	(9,478)	18,901	(46,910)	28,404	(61,163)	29,335	(54,786)	6,720	(13,556)

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

Statement of Financial Position

As at 30 June 2023

	Note	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Assets											
Cash and cash equivalents	4	6,754	16,071	41,622	56,321	35,023	37,886	37,532	40,723	13,895	12,428
Distribution receivables	5	272	361	2,167	3,373	3,292	5,359	3,677	5,660	838	1,289
Other receivables	5	22	38	101	152	133	175	130	145	29	29
Interest receivables	5	401	-	2,417	-	1,835	-	1,129	-	86	-
Financial assets at fair value through profit or loss	6	49,198	60,052	267,498	291,052	349,191	352,952	353,715	308,269	71,422	63,476
Financial assets at amortised cost	6	13,500	17,500	60,000	75,000	45,000	61,000	31,500	32,500	2,000	2,000
Total Assets		70,147	94,022	373,805	425,898	434,474	457,372	427,683	387,297	88,270	79,222
Liabilities											
Financial liabilities at fair value through profit or loss	6	161	87	950	1,102	779	1,234	633	818	111	119
Other payable	7	-	211	187	798	22	580	8	157	-	-
Management fees payable	7	63	91	342	418	405	462	403	402	85	82
Distribution payable	3(c)	934	-	5,049	4,500	7,059	13,057	6,747	15,014	1,534	4,978
Total Liabilities (Excl. Net Assets Attributable to Unitholders)		1,158	389	6,528	6,818	8,265	15,333	7,791	16,391	1,730	5,179
Net Assets Attributable to Unitholders (Liability)	8(b)	68,989	93,633	367,277	419,080	426,209	442,039	419,892	370,906	86,540	74,043

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

Statement of Changes in Net Assets Attributable to Unitholders

For the year ended 30 June 2023

	Note	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Opening balance		93,633	108,515	419,080	452,818	442,039	479,456	370,906	384,257	74,043	76,106
Net profit/(loss) attributable to unitholders (before finance costs)		3,316	(8,708)	24,391	(38,274)	36,757	(43,133)	38,570	(35,367)	9,043	(7,676)
Distribution to unitholders	3(c)	(1,157)	(770)	(5,490)	(8,636)	(8,353)	(18,030)	(9,235)	(19,419)	(2,323)	(5,880)
Application for units		3,222	15,762	35,653	80,139	52,143	99,714	68,933	90,476	13,705	20,713
Redemption of units		(30,025)	(21,166)	(106,357)	(66,967)	(96,377)	(75,968)	(49,282)	(49,041)	(7,928)	(9,220)
Closing Balance	8(b)	68,989	93,633	367,277	419,080	426,209	442,039	419,892	370,906	86,540	74,043

The above Statement of Changes in Net Assets Attributable to Unitholders should be read in conjunction with the accompanying notes to the financial statements.

Statement of Cash Flows

For the year ended 30 June 2023

	Note	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash flows from operating activities											
Proceeds from the sale of financial instruments		41,465	30,990	122,172	132,770	121,369	127,853	85,247	79,909	23,000	25,438
Proceeds from the maturity of long-term deposits		4,000	-	15,000	-	16,000	-	1,000	-	-	-
Payments for purchase of financial instruments		(28,689)	(24,000)	(83,323)	(126,000)	(92,264)	(150,500)	(103,108)	(112,500)	(24,250)	(28,000)
Interest received		522	160	2,269	416	1,868	386	1,428	24	252	(3)
Distributions received		851	2,319	6,577	13,004	10,555	16,354	11,412	15,432	2,692	3,392
GST received		18	25	101	113	118	127	110	108	23	22
Management fees paid		(317)	(372)	(1,542)	(1,662)	(1,753)	(1,873)	(1,606)	(1,608)	(333)	(327)
Administration fees paid		(11)	(6)	(45)	(34)	(49)	(52)	(45)	(30)	(11)	(5)
Management fee rebates		88	137	377	622	468	571	408	509	91	-
Futures expense paid		(7)	-	(29)	-	(32)	-	(37)	-	(7)	-
Net cash flows from/(used in) operating activities	9(b)	17,920	9,253	61,557	19,229	56,280	(7,134)	(5,191)	(18,156)	1,457	517
Cash flows from financing activities											
Proceeds from applications by unitholders		3,170	14,173	35,204	77,714	50,070	95,424	67,770	88,998	12,988	20,151
Payments for redemptions by unitholders		(30,236)	(20,759)	(106,968)	(66,908)	(96,935)	(75,914)	(49,431)	(48,966)	(7,928)	(9,220)
Distribution paid		(171)	(4,540)	(4,492)	(26,853)	(12,278)	(30,907)	(16,339)	(23,804)	(5,050)	(4,893)
Net cash (used in)/provided by financing activities		(27,237)	(11,126)	(76,256)	(16,047)	(59,143)	(11,397)	2,000	16,228	10	6,038
Net (decrease)/increase in cash held		(9,317)	(1,873)	(14,699)	3,182	(2,863)	(18,531)	(3,191)	(1,928)	1,467	6,555
Cash at the beginning of the year		16,071	17,944	56,321	53,139	37,886	56,417	40,723	42,651	12,428	5,873
Cash at the end of the year	9(a)	6,754	16,071	41,622	56,321	35,023	37,886	37,532	40,723	13,895	12,428

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

Notes to the Financial Statements

1. Corporate information

The financial report of the Funds for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors of the Responsible Entity on 18 September 2023.

The Funds are managed investment schemes, constituted on 9 September 2011. The Funds began operations on 1 October 2011. Sandhurst Trustees Limited, the Responsible Entity of the Fund, is incorporated and domiciled in Australia. The nature of operations and principal activities of the Funds are described in the Directors' Report.

2. Summary of significant accounting policies

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared in accordance with the historical cost convention, except for the valuation of investments in financial assets, which have been measured at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. Additional information regarding this are included in the relevant notes. The financial statements are prepared on a going concern basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Fund under ASIC Class Order 2016/191. The Fund is an entity to which the class order applies, and in accordance with that Class Order amounts in the Directors' Report and the financial report have been rounded to the nearest thousand dollars.

The Funds are a for-profit entity for the purpose of preparing financial statements.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

(c) Comparative revisions

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. No changes to comparative information have been made.

(d) Changes in Accounting Policies

New and amended standards and interpretations

The Fund applied for the first-time certain standards and amendments, which are effective for the year ended 30 June 2023. The Fund has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

No amendment had an impact on the financial statements for the year ended 30 June 2023.

Standards issued or amended but not yet effective

Certain Australian Accounting Standards have been recently issued or amended but are not effective and have not been adopted by the Fund for the financial year ended 30 June 2023. These new standards and interpretations do not have an impact on the financial statements.

(e) Financial instruments

Classification

Financial assets

The Funds classify their financial assets in the following measurement categories:

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

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

Notes to the Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

The Funds portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Funds documented investment strategies. The Funds policies are for the Responsibility Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For financial instruments that are measured at fair value through profit or loss, they do not represent solely payments of principal and interest. This category includes investment in unlisted managed investment schemes and derivatives.

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

Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable and management fees payable).

Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Funds have transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

Measurement

Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures financial assets and financial liabilities at its fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the Statement of Comprehensive Income as part of management fees by the Responsible Entity.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income in the period in which they arise. Interest earned on these instruments are recorded separately in interest revenue in the Statement of Comprehensive Income.

Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured according to their classification using the effective interest method. Gains and losses are recognised in profit or loss when the assets and liabilities are derecognised, as well as through the amortisation process.

The effective interest method (EIR) is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in profit or loss over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Funds estimate cash flows considering all contractual terms of the financial instruments, but does not consider expected credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

When an investment is disposed, the cumulative gain or loss, net of tax thereon, is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

Impairment

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

Notes to the Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

Offsetting financial instruments

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

As at the end of the reporting period, there are no financial assets or liabilities offset or with the right to offset in the Statement of Financial Position.

(f) Income Tax

Under current legislation, the Funds are not subject to income tax provided the unitholders are presently entitled to the income of the Funds and the Funds fully distribute its taxable income.

(g) Cash and cash equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalents, in the Statement of Financial Position comprises of current deposits with banks.

(h) Income

Income is recognised to the extent that it is probable that the economic benefits will flow to the Funds and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

(i) Distribution income

Distribution income is recognised when the Funds' right to receive the payment is established.

(ii) Interest income

Interest income from all interest bearing financial instruments are recognised on an accrual basis, using the effective interest rate method.

(iii) Investment income

Gains and losses on investments are calculated as the difference between the fair value at sale, or at the year end, and the fair value at the previous valuation point. This includes both realised gains and losses and unrealised gains and losses, but does not include interest or distribution revenue. These are included in the Statement of Comprehensive Income in the period they are incurred in accordance with the policies described in Note 2(e).

(i) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

(j) Other receivables

Receivables are recognised and carried at the nominal amount, less a provision for expected credit loss. Amounts are generally received within 30 days of being recorded as receivables. Outstanding other receivables are usually settled within three days.

(k) Distributions paid/payable

In accordance with the Funds' Constitutions, the Funds fully distribute their distributable income to unitholders. Distributions are payable at the end of each half year. Such distributions are determined by reference to the taxable income of the Funds. Distributable income includes capital gains arising from the disposal of investments. Unrealised gains and losses on investments that are recognised as income are transferred to net assets attributable to unitholders and are not assessable and distributable until realised. Capital losses are not distributed to unitholders but are retained to be offset against any future realised capital gains. Distributions to unitholders are recognised in the Statement of Comprehensive Income as finance costs.

(l) Other payables

Fees, commissions and other expenses are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Funds. Payables include outstanding settlements on the purchase of investments and management fees payable. The credit and payment terms are in line with market practice and is generally less than 30 days. Outstanding other payables are usually settled within three days.

(m) Net assets attributable to unitholders

Non-distributable income is retained in net assets attributable to unitholders and may consist of unrealised changes in the net fair value of investments, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible or net capital losses. Net capital gains on the realisation of any investments (including any adjustments for tax deferred income previously retained in net assets attributable to unitholders) and accrued income not yet assessable will be included in the determination of distributable income in the same year as it becomes assessable for tax. Movements in net assets attributable to unitholders are recognised in the Statement of Comprehensive Income as finance cost.

Notes to the Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

(n) Unit Prices

Unit Prices are determined in accordance with the Funds' Constitutions and are calculated on the net assets attributable to unitholders of the Funds, less estimated costs divided by the number of units on issue, on a forward pricing basis, as determined by the Responsible Entity.

(o) Terms and conditions on units

Each unit issued confers upon the unitholder an equal interest in the Funds, and is of equal value. A unit does not confer any particular asset or investment of the Funds. Unitholders have various rights under the Constitution and the *Corporations Act 2001* (Cth), including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Funds.

The rights, obligations and restrictions attached to each unitholder are identical in all respects.

Redeemable units

Redeemable units are redeemable at the unitholders' option at anytime for cash equal to a proportionate share of the Funds' net asset value (calculated in accordance with redemption requirements) and are classified as financial liabilities. The financial liability is disclosed on the Statement of Financial Position as 'Net Assets attributable to Unitholders (Liability)'. The units are classified as financial liabilities due to the fact that, in addition to the contractual obligation to pay cash to unitholders' upon redemption, the Funds also have compulsory distribution clauses in the Funds' Constitutions.

The liabilities arising from the redeemable units are carried at the redemption amount being the net asset value calculated in accordance with redemption requirements. The Funds' net asset value per unit is calculated by dividing the net assets attributable to unitholders (calculated in accordance with redemption requirements) by the number of units on issue.

This valuation of net assets is different from the Australian Accounting Standards valuation requirements. The difference between the two valuations is presented in Note 8(b) as 'Adjustment from nav-market prices to bid-market prices'.

(p) Goods and services tax (GST)

Income, expenses and assets, with the exception of receivables and payables, are recognised net of the amount of GST to the extent that the GST is recoverable from the taxation authority. Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or part of the expense item as applicable.

Expenses incurred by the Funds are recognised net of the amount of GST which is able to be recovered from the Australian Taxation Office (ATO). Reduced input tax credits (RITC) recoverable by the Fund from the ATO are recognised as receivables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

(q) Significant accounting judgments and estimates

The preparation of the Funds' financial statements does not require management to make any significant judgments, estimates and assumptions, except for the following, that affect the amounts recognised in the financial statements. The significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

Notes to the Financial Statements (Continued)

2. Summary of significant accounting policies (continued)

(i) Fair value of financial instruments.

The fair value of financial assets and financial liabilities recorded in the Statement of Financial Position is derived from both active markets and valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

For financial instruments quoted in an active market (level 1 in the fair value hierarchy), the market price at measurement date provides the most reliable evidence of fair value. When fair value is based on an observable market price (level 2 in the fair value hierarchy), the quoted price at the measurement date provides the most reliable input.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. If the asset or liability has a specified (contractual) term, a Level 2 input must be observable for substantially the full term of the asset or liability. Level 2 inputs include the following:

- a) quoted prices for similar assets or liabilities in active markets.
- b) quoted prices for identical or similar assets or liabilities in markets that are not active.
- c) inputs other than quoted prices that are observable for the asset or liability, for example:
 - i) interest rates and yield curves observable at commonly quoted intervals;
 - ii) implied volatilities; and
 - iii) credit spreads.
- d) market-corroborated inputs.

(r) Functional and presentation currency

The Funds functional and presentation currency is the Australian Dollar, which is the currency of the primary economic environment in which it operates. The Funds performance is evaluated and its liquidity is managed in Australian Dollars. Therefore, the Australian Dollar is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(s) Capital Management

The Responsible Entity manages its net assets attributable to unitholders as capital; not withstanding net asset attributable to unitholders is classified as a liability. The amount of net asset attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

The Responsible Entity monitors the level of daily applications and redemptions relative to the liquid assets in the Funds.

(t) Derivative financial instruments

The Funds use derivatives to manage its risks but does not use them for the purpose of hedge accounting. All derivatives are classified at fair value through profit and loss, with any gains or losses arising from changes in fair value taken directly to net profit or loss for the period.

Notes to the Financial Statements (Continued)

3. Income and distributions to unitholders

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Interest income										
Interest income	923	159	4,686	484	3,703	377	2,557	93	338	10
(b) Distribution income										
Distribution income	762	1,699	5,371	10,929	8,488	15,062	9,429	14,853	2,241	3,318
(c) Distributions to unitholders										
Distributions to unitholders	1,157	770	5,490	8,636	8,353	18,030	9,235	19,419	2,323	5,880
							2023	2023	2022	2022
							\$'000	CPU*	\$'000	CPU*
Bendigo Defensive Index Fund										
Interim distributions paid 31 December							223	0.29	770	0.80
Final distribution payable 30 June							934	1.46	-	-
Distributions to unitholders							1,157	1.75	770	0.80
Bendigo Conservative Index Fund										
Interim distributions paid 31 December							441	0.14	4,136	1.15
Final distribution payable 30 June							5,049	1.71	4,500	1.28
Distributions to unitholders							5,490	1.85	8,636	2.43
Bendigo Balanced Index Fund										
Interim distributions paid 31 December							1,294	0.39	4,973	1.45
Final distribution payable 30 June							7,059	2.31	13,057	3.86
Distributions to unitholders							8,353	2.70	18,030	5.31
Bendigo Growth Index Fund										
Interim distributions paid 31 December							2,488	0.94	4,405	1.77
Final distribution payable 30 June							6,747	2.57	15,014	6.02
Distributions to unitholders							9,235	3.51	19,419	7.79
Bendigo High Growth Index Fund										
Interim distributions paid 31 December							789	1.49	902	1.93
Final distribution payable 30 June							1,534	2.89	4,978	10.11
Distributions to unitholders							2,323	4.38	5,880	12.04

* Denotes Cents Per Unit

The component of the final distribution for the year which was unpaid at reporting date is shown in the Statement of Financial Position.

Notes to the Financial Statements (Continued)

4. Cash and cash equivalents

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at bank	3,804	3,828	10,313	21,495	13,003	18,091	14,814	25,097	4,117	8,177
11AM call deposits	1,200	2,192	11,309	5,723	5,020	700	18,718	5,608	9,028	1,501
Short-term deposits less than 3 months	1,750	10,051	20,000	29,103	17,000	19,095	4,000	10,018	750	2,750
	6,754	16,071	41,622	56,321	35,023	37,886	37,532	40,723	13,895	12,428

5. Other receivables

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other receivables	22	38	101	152	133	175	130	145	29	29
Interest receivables	401	-	2,417	-	1,835	-	1,129	-	86	-
Distribution receivables	272	361	2,167	3,373	3,292	5,359	3,677	5,660	838	1,289
	695	399	4,685	3,525	5,260	5,534	4,936	5,805	953	1,318

Refer to Note 2(j) for terms and conditions of other receivables

6. Financial assets and liabilities

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial assets at fair value through profit or loss</i>										
Unlisted Managed Investment Schemes	41,500	60,052	228,046	291,052	318,428	352,952	333,528	308,269	71,422	63,476
Negotiable certificate of deposits	7,698	-	39,452	-	30,763	-	20,187	-	-	-
	49,198	60,052	267,498	291,052	349,191	352,952	353,715	308,269	71,422	63,476

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial assets at amortised cost</i>										
Term deposits	4,000	-	17,000	-	11,500	-	12,500	-	1,000	-
Long-term deposits	9,500	17,500	43,000	75,000	33,500	61,000	19,000	32,500	1,000	2,000
	13,500	17,500	60,000	75,000	45,000	61,000	31,500	32,500	2,000	2,000

Term despositis and long-term deposits are term deposits with maturity greater than 3 months which are considered by management as an integral part of the Funds' cash management.

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<i>Financial liabilities at fair value through profit or loss</i>										
Exchange Traded Futures	161	87	950	1,102	779	1,234	633	818	111	119
	161	87	950	1,102	779	1,234	633	818	111	119

Notes to the Financial Statements (Continued)

6. Financial assets and liabilities (continued)

Fair value of financial instruments

The fair value of units in unlisted managed investment schemes is determined by reference to published bid prices at the close of business on the reporting date, being the redemption price as established by the underlying scheme's responsible entity.

The fair value of financial assets at amortised cost approximates its carrying value as at 30 June 2023.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those instruments valued based on inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
As at 30 June 2023			
Financial assets/(liabilities) at fair value through profit or loss			
<i>Unlisted Managed Investment Schemes</i>			
Bendigo Defensive Index Fund	-	41,500	-
Bendigo Conservative Index Fund	-	228,046	-
Bendigo Balanced Index Fund	-	318,428	-
Bendigo Growth Index Fund	-	333,528	-
Bendigo High Growth Index Fund	-	71,422	-
<i>Negotiable certificate of deposits</i>			
Bendigo Defensive Index Fund	-	7,698	-
Bendigo Conservative Index Fund	-	39,452	-
Bendigo Balanced Index Fund	-	30,763	-
Bendigo Growth Index Fund	-	20,187	-
<i>Exchange Traded Futures</i>			
Bendigo Defensive Index Fund	(161)	-	-
Bendigo Conservative Index Fund	(950)	-	-
Bendigo Balanced Index Fund	(779)	-	-
Bendigo Growth Index Fund	(633)	-	-
Bendigo High Growth Index Fund	(111)	-	-
As at 30 June 2022			
Financial assets/(liabilities) at fair value through profit or loss			
<i>Unlisted Managed Investment Schemes</i>			
Bendigo Defensive Index Fund	-	60,052	-
Bendigo Conservative Index Fund	-	291,052	-
Bendigo Balanced Index Fund	-	352,952	-
Bendigo Growth Index Fund	-	308,269	-
Bendigo High Growth Index Fund	-	63,476	-
<i>Exchange Traded Futures</i>			
Bendigo Defensive Index Fund	(87)	-	-
Bendigo Conservative Index Fund	(1,102)	-	-
Bendigo Balanced Index Fund	(1,234)	-	-
Bendigo Growth Index Fund	(818)	-	-
Bendigo High Growth Index Fund	(119)	-	-

Notes to the Financial Statements (Continued)

6. Financial assets and liabilities (continued)

Valuation technique

Unlisted managed investment schemes

The Funds invest in managed funds which are not quoted in an active market. The Funds investment managers considers the valuation techniques and inputs used in valuing these funds as part of its due diligence prior to investing, to ensure they are reasonable and appropriate. The fair value of units held in Unlisted Managed Investment Schemes is based on their bid prices (redemption price) at the close of business on the reporting date. Depending on the nature and level of adjustments needed to the bid prices and the level of trading in the fund, the Funds classifies these investments as Level 2.

Negotiable certificate of deposits

The fair value of fixed maturity certificates of deposit is estimated by discounting the future cash flows using the effective rates currently offered for deposits of similar maturity.

The Funds recognise transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between levels during the year ended 30 June 2023.

7. Management fees and other payables

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Other payable	-	211	187	798	22	580	8	157	-	-
Management fees payable	63	91	342	418	405	462	403	402	85	82
	63	302	529	1,216	427	1,042	411	559	85	82

Refer to Note 2(l) for terms and conditions of other payables.

8. Net assets attributable to unitholders

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000	2023 Units '000	2022 Units '000
(a) Units on issue										
Balance at the beginning of the year	88,978	94,191	352,722	343,706	338,276	323,053	249,267	225,301	49,235	42,809
Applications										
- Cash	2,954	12,610	28,562	58,917	36,834	64,187	43,670	51,932	8,296	11,290
- Reinvested distributions	49	1,024	377	1,795	1,580	2,843	778	816	475	314
Redemptions	(27,938)	(18,847)	(86,654)	(51,696)	(70,641)	(51,807)	(31,534)	(28,782)	(5,002)	(5,178)
Balance at the end of the year	64,043	88,978	295,007	352,722	306,049	338,276	262,181	249,267	53,004	49,235

The terms and conditions attached to units in the Funds can be found in Note 2(o).

	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
	(b) Reconciliation of net assets attributable to unitholders									
Net assets attributable to unitholders (calculated in accordance with redemption requirements)	69,020	93,693	367,400	419,333	426,375	442,340	420,048	371,137	86,568	74,087
Adjustment from nav-market prices to bid-markets prices	(31)	(60)	(123)	(253)	(166)	(301)	(156)	(231)	(28)	(44)
Net assets attributable to unitholders (calculated in accordance with Australian Accounting Standards)	68,989	93,633	367,277	419,080	426,209	442,039	419,892	370,906	86,540	74,043

Notes to the Financial Statements (Continued)

9. Notes to the Statement of Cash Flows

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Reconciliation of cash										
Cash at bank	3,804	3,828	10,313	21,495	13,003	18,091	14,814	25,097	4,117	8,177
11AM call deposits	1,200	2,192	11,309	5,723	5,020	700	18,718	5,608	9,028	1,501
Short-term deposits less than 3 months	1,750	10,051	20,000	29,103	17,000	19,095	4,000	10,018	750	2,750
	6,754	16,071	41,622	56,321	35,023	37,886	37,532	40,723	13,895	12,428
(b) Reconciliation of change in net assets attributable to unitholders to net cash flows from operating activities										
Change in net assets attributable to unitholders	2,159	(9,478)	18,901	(46,910)	28,404	(61,163)	29,335	(54,786)	6,720	(13,556)
Adjustments for:										
Distributions to unitholders	1,157	770	5,490	8,636	8,353	18,030	9,235	19,419	2,323	5,880
Net gains/(losses) on financial instruments at fair value through profit or loss	(1,848)	10,340	(15,447)	48,595	(25,799)	57,307	(27,770)	49,180	(6,704)	10,778
Proceeds from the sale of financial instruments	41,465	30,990	122,172	132,770	121,369	127,853	85,247	79,909	23,000	25,438
Proceeds from the maturity of long-term deposits	4,000	-	15,000	-	16,000	-	1,000	-	-	-
Payments for purchase of financial instruments	(28,689)	(24,000)	(83,323)	(126,000)	(92,264)	(150,500)	(103,108)	(112,500)	(24,250)	(28,000)
Decrease in distributions receivable	89	621	1,206	2,075	2,067	1,292	1,983	579	451	74
(Increase)/decrease in interest receivables	(401)	-	(2,417)	-	(1,835)	-	(1,129)	-	(86)	-
(Increase)/decrease in other receivables	16	11	51	50	42	37	15	14	-	6
Increase/(decrease) in management fees payable	(28)	(1)	(76)	13	(57)	10	1	29	3	5
Net cash provided by operating activities	17,920	9,253	61,557	19,229	56,280	(7,134)	(5,191)	(18,156)	1,457	517
(c) Non-cash financing activities										
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	52	1,183	449	2,374	2,073	4,241	1,163	1,403	717	562

Notes to the Financial Statements (Continued)

10. Financial risk management objectives and policies

(a) Financial risk management objectives, policies and processes

Risks arising from holding financial instruments are inherent in the Funds' activities, and are managed through a process of ongoing identification, measurement and monitoring. The Funds are exposed to market risk, liquidity risk and credit risk. Financial instruments of the Funds comprise investments in financial assets for the purpose of generating a return on the investment for unitholders.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The risks are measured using a method that reflects the expected impact on the results and the net assets attributable to unitholders of the Funds from reasonably possible changes in the relevant risk variables. Information about these risk exposures at the reporting date, measured on this basis, is discussed below. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflects the investment strategy and market environment of the Funds, as well as the level of risk the Funds are willing to accept.

This information is prepared and reported to relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

(b) Credit Risk

Credit risk represents the risk that a counterparty to the financial instrument will fail to discharge an obligation and cause the Funds to incur a financial loss.

With respect to credit risk arising from the financial assets of the Funds, the Funds exposure to credit risk arises from the default of the counterparty, with the current exposure equal to the fair value of these instruments as disclosed in the Statement of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the reporting date. The risk of counterparty default is deemed to be low as investments are held with reputable organisations and also the receivables disclosed in the Statement of Financial Position are mainly distributions receivable.

Financial assets subject to AASB 9's impairment requirements

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 30 June 2023 and 30 June 2022, cash and cash equivalents and other receivables are held with counterparties with a credit rating of A- or higher and are either callable on demand or due to be settled within 1 week. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

The Funds hold no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

(c) Liquidity Risk

Liquidity risk is the risk that the Funds will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. To control liquidity and cash flow risk, the Funds invests in financial instruments, which under normal market conditions are readily convertible into cash. In addition, the Funds invests within established limits in order to avoid excessive concentration of risk to specific asset classes.

Net assets attributable to unitholders are entirely payable on demand subject to the terms of the constitutions of the Funds.

Maturity analysis for financial liabilities

Financial liabilities of the Funds comprise other payables, distributions payable and net assets attributable to unitholders. Other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

The following table below summarises the maturity profile of the Funds' financial liabilities based on contractual undiscounted cash flows.

The analysis into relevant maturity groupings is based on the remaining period at the end of the reporting period to the contractual maturity date.

Notes to the Financial Statements (Continued)

10. Financial risk management objectives and policies (continued)

(c) Liquidity Risk (continued)

Bendigo Defensive Index Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
As at 30 June 2023					
Financial liabilities					
Financial liabilities at fair value through profit or loss	161	-	-	-	161
Other payables	63	-	-	-	63
Distribution payable	934	-	-	-	934
Net assets attributable to unitholders	<u>68,989</u>	-	-	-	<u>68,989</u>
	<u>70,147</u>	-	-	-	<u>70,147</u>
As at 30 June 2022					
Financial liabilities					
Financial liabilities at fair value through profit or loss	87	-	-	-	87
Other payables	302	-	-	-	302
Net assets attributable to unitholders	<u>93,633</u>	-	-	-	<u>93,633</u>
	<u>94,022</u>	-	-	-	<u>94,022</u>
Bendigo Conservative Index Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
As at 30 June 2023					
Financial liabilities					
Financial liabilities at fair value through profit or loss	950	-	-	-	950
Other payables	529	-	-	-	529
Distribution payable	5,049	-	-	-	5,049
Net assets attributable to unitholders	<u>367,277</u>	-	-	-	<u>367,277</u>
	<u>373,805</u>	-	-	-	<u>373,805</u>
As at 30 June 2022					
Financial liabilities					
Financial liabilities at fair value through profit or loss	1,102	-	-	-	1,102
Other payables	1,216	-	-	-	1,216
Distribution payable	4,500	-	-	-	4,500
Net assets attributable to unitholders	<u>419,080</u>	-	-	-	<u>419,080</u>
	<u>425,898</u>	-	-	-	<u>425,898</u>

Notes to the Financial Statements (Continued)

10. Financial risk management objectives and policies (continued)

(c) Liquidity Risk (continued)

Bendigo Balanced Index Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
As at 30 June 2023					
Financial liabilities					
Financial liabilities at fair value through profit or loss	779	-	-	-	779
Other payables	427	-	-	-	427
Distribution payable	7,059	-	-	-	7,059
Net assets attributable to unitholders	426,209	-	-	-	426,209
	<u>434,474</u>	<u>-</u>	<u>-</u>	<u>434,474</u>	<u>434,474</u>
As at 30 June 2022					
Financial liabilities					
Financial liabilities at fair value through profit or loss	1,234	-	-	-	1,234
Other payables	1,042	-	-	-	1,042
Distribution payable	13,057	-	-	-	13,057
Net assets attributable to unitholders	442,039	-	-	-	442,039
	<u>457,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>457,372</u>
Bendigo Growth Index Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
As at 30 June 2023					
Financial liabilities					
Financial liabilities at fair value through profit or loss	633	-	-	-	633
Other payables	411	-	-	-	411
Distribution payable	6,747	-	-	-	6,747
Net assets attributable to unitholders	419,892	-	-	-	419,892
	<u>427,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>427,683</u>
As at 30 June 2022					
Financial liabilities					
Financial liabilities at fair value through profit or loss	818	-	-	-	818
Other payables	559	-	-	-	559
Distribution payable	15,014	-	-	-	15,014
Net assets attributable to unitholders	370,906	-	-	-	370,906
	<u>387,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,297</u>

Notes to the Financial Statements (Continued)

10. Financial risk management objectives and policies (continued)

(c) Liquidity Risk (continued)

Bendigo High Growth Index Fund	Less than 1 month \$'000	1 to 3 months \$'000	3 to 6 months \$'000	6 to 12 months \$'000	Total \$'000
As at 30 June 2023					
Financial liabilities					
Financial liabilities at fair value through profit or loss	111	-	-	-	111
Other payables	85	-	-	-	85
Distribution payable	1,534	-	-	-	1,534
Net assets attributable to unitholders	<u>86,540</u>	-	-	-	<u>86,540</u>
	<u>88,270</u>	-	-	-	<u>88,270</u>
As at 30 June 2022					
Financial liabilities					
Financial liabilities at fair value through profit or loss	119	-	-	-	119
Other payables	82	-	-	-	82
Distribution payable	4,978	-	-	-	4,978
Net assets attributable to unitholders	<u>74,043</u>	-	-	-	<u>74,043</u>
	<u>79,222</u>	-	-	-	<u>79,222</u>

(d) Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates, and equity prices. Sandhurst, in appointing and allocating to the investment managers, considers these risks and the processes each investment manager uses to address the impact of these risks.

(e) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of interest bearing financial instruments. The Funds have established limits on investments in interest bearing asset classes, which are monitored monthly with Bloomberg AusBond Bank Bill Index as interest rate benchmark.

(f) Equity Price Risk

Equity price risk is the risk that the fair value of equities or fixed interest securities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the markets. Equity price risk exposure arises from the Funds investment portfolio.

Accounting assumptions - Variability of equity prices

The following table summarises the sensitivity of changes in fair value of investments to equity price risk. The reasonable possible movements in the individual indices have been based on the volatility of change in these indices over the last 5 years. This analysis is an estimate only, as actual movements in these indices may be greater or less than anticipated due to a number of factors, including unusually larger market shocks resulting from changes in the performance of the markets and securities in which the Funds invest.

The effect on the net assets attributable to unitholders and operating profit before distribution due to reasonably possible changes in market factors, as represented by the indices, with all other variables held constant as indicated in the following table.

Notes to the Financial Statements (Continued)

10. Financial risk management objectives and policies (continued)

(f) Equity Price Risk (continued)

Market Index	2023					2022				
	Changes in equity price			Sensitivity of changes in fair value of investments		Changes in equity price		Sensitivity of changes in fair value of investments		
	Increase	Decrease	%	Increase	Decrease	Increase	Decrease	%	Increase	Decrease
Bendigo Defensive Index Fund				\$'000	\$'000				\$'000	\$'000
S&P/ASX 300 Property Trust Accumulation Index	25	(25)		230	(230)	22	(22)		404	(404)
S&P/ASX 300 Accumulation Index	17	(17)		238	(238)	16	(16)		642	(642)
MSCI World ex Australia Index Accumulation (\$A)	18	(18)		709	(709)	11	(11)		438	(438)
Bloomberg AusBond Composite Index 0 + Years	6	(6)		841	(841)	4	(4)		1,229	(1,229)
Barclays Capital Global Aggregate (\$A Hedged)	5	(5)		218	(218)	3	(3)		10	(10)
Bendigo Conservative Index Fund										
S&P/ASX 300 Property Trust Accumulation Index	25	(25)		1,608	(1,608)	22	(22)		2,738	(2,738)
S&P/ASX 300 Accumulation Index	17	(17)		4,775	(4,775)	16	(16)		6,226	(6,226)
MSCI World ex Australia Index Accumulation (\$A)	18	(18)		8,549	(8,549)	11	(11)		5,209	(5,209)
Bloomberg AusBond Composite Index 0 + Years	6	(6)		2,968	(2,968)	4	(4)		4,443	(4,443)
Barclays Capital Global Aggregate (\$A Hedged)	5	(5)		550	(550)	3	(3)		30	(30)
Bendigo Balanced Index Fund										
S&P/ASX 300 Property Trust Accumulation Index	25	(25)		3,208	(3,208)	22	(22)		4,506	(4,506)
S&P/ASX 300 Accumulation Index	17	(17)		10,809	(10,809)	16	(16)		11,324	(11,324)
MSCI World ex Australia Index Accumulation (\$A)	18	(18)		18,490	(18,490)	11	(11)		10,502	(10,502)
Bloomberg AusBond Composite Index 0 + Years	6	(6)		3,081	(3,081)	4	(4)		3,946	(3,946)
Barclays Capital Global Aggregate (\$A Hedged)	5	(5)		551	(551)	3	(3)		24	(24)
Bendigo Growth Index Fund										
S&P/ASX 300 Property Trust Accumulation Index	25	(25)		3,528	(3,528)	22	(22)		4,419	(4,419)
S&P/ASX 300 Accumulation Index	17	(17)		14,532	(14,532)	16	(16)		13,044	(13,044)
MSCI World ex Australia Index Accumulation (\$A)	18	(18)		24,086	(24,086)	11	(11)		11,984	(11,984)
Bloomberg AusBond Composite Index 0 + Years	6	(6)		1,805	(1,805)	4	(4)		1,776	(1,776)
Barclays Capital Global Aggregate (\$A Hedged)	5	(5)		473	(473)	3	(3)		10	(10)
Bendigo High Growth Index Fund										
S&P/ASX 300 Property Trust Accumulation Index	25	(25)		774	(774)	22	(22)		1,123	(1,123)
S&P/ASX 300 Accumulation Index	17	(17)		3,558	(3,558)	16	(16)		3,119	(3,119)
MSCI World ex Australia Index Accumulation (\$A)	18	(18)		6,746	(6,746)	11	(11)		3,054	(3,054)
Bloomberg AusBond Composite Index 0 + Years	6	(6)		-	-	3	(3)		-	-
Barclays Capital Global Aggregate (\$A Hedged)	5	(5)		-	-	3	(3)		-	-

(g) Currency Risk

The Funds' investment portfolio include Australian based funds which have exposure to international markets and as a result have indirect exposure to foreign currency risk. Changes in foreign currency relative to the Australian dollar can have a positive or negative impact on investment returns or values. The underlying investment managers of the Funds may manage currency risk by the use of currency derivatives to hedge currency exposure.

Notes to the Financial Statements (Continued)

11. Segment information

The principal activities of the Funds are the investment in one market segment being investment management. The Funds are all domiciled in one geographic segment being Australia. The underlying managed investment schemes in which the Funds invest do hold investments in Australian and International equities, Australian and International fixed interest, Australian property and cash. The Funds have no direct control over these underlying investments. These asset allocations may change from time to time.

12. Related party disclosures

(a) **Responsible Entity**

The Responsible Entity of the Funds is Sandhurst Trustees Limited (Sandhurst).

The controlling entity of Sandhurst is Bendigo and Adelaide Bank Limited (ABN 11 068 049 178).

(b) **Details of Key Management Personnel**

Sandhurst Trustees Limited, the Responsible Entity of the Funds, is considered to be Key Management Personnel with the authority for the strategic direction and management of the Funds.

(c) **Fees and other related party transactions**

Management fees paid/payable to Sandhurst Trustees Limited as the Responsible Entity in accordance with the provisions of the Funds' Constitution are set out below:

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Management fees paid/payable to Sandhurst Trustees Limited as the Responsible Entity in accordance with the provisions of the Funds' Constitution:										
Management fees expensed during the year	271	343	1,365	1,561	1,578	1,755	1,497	1,529	313	311
Management fees payable at year-end	63	91	342	418	405	462	403	402	85	82

The Responsible Entity is entitled to receive a total management fee of 0.39% of the net asset value of Bendigo Defensive Index Fund; 0.41% of the net asset value of Bendigo Conservative Index Fund; 0.43% of the net asset value of Bendigo Balanced Index Fund; 0.45% of the net asset value of Bendigo Growth Index Fund & 0.46% of the net asset value of Bendigo High Growth Index Fund (inclusive of GST, net of reduced input tax credits available to the Fund).

Notes to the Financial Statements (Continued)

12. Related party disclosures (continued)

(d) Related party investments held by the Funds

Details of investments held by the Funds in other funds, for which Sandhurst Trustees Limited is also the Responsible Entity are set out below:

	Units held '000	Fair value of units \$'000	Interest held (%)	Units purchased '000	Units sold '000	Distribution received or receivable \$'000
Bendigo Conservative Index Fund						
30 June 2023						
Sandhurst Conservative Fund	3,967	4,936	1.34%	1,297	(2,218)	304,104
30 June 2022						
Sandhurst Conservative Fund	4,888	5,820	1.39%	4,254	(2,848)	304
Bendigo Balanced Index Fund						
30 June 2023						
Sandhurst Balanced Fund	5,757	8,013	1.88%	791	(2,353)	476,044
30 June 2022						
Sandhurst Balanced Fund	7,319	9,581	2.16%	5,495	(2,503)	476
Bendigo Growth Index Fund						
30 June 2023						
Sandhurst Growth Fund	3,049	4,880	1.16%	321	(960)	97,843
30 June 2022						
Sandhurst Growth Fund	3,688	5,495	1.48%	2,842	(1,786)	98

(e) Unitholdings of Key Management Personnel

Cash at Bank and term deposits which are held with Bendigo and Adelaide Bank Limited, the parent entity of Sandhurst Trustees Limited as Responsible Entity of the Funds are as follow:

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Cash at Bank	2,059	3,153	5,806	18,319	7,665	13,467	9,816	20,732	2,049	6,200
11AM call deposits	1,200	1,622	5,009	5,108	741	85	8,851	5,003	9,028	1,501
Short-term deposits less than 3 months	1,750	5,000	12,000	15,000	8,000	3,000	1,000	3,000	750	750
Term deposits	4,000	-	14,000	-	10,000	-	9,500	-	-	-
Long-term deposits	2,000	9,500	15,000	38,000	10,000	31,000	-	7,500	-	-

13. Net gains/(losses) on financial instruments at fair value through profit or loss

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Realised capital gains/(losses)	(1,920)	(2,275)	(6,575)	(2,428)	(4,981)	3,515	(2,456)	5,562	(931)	2,762
Unrealised capital gains/(losses)	3,768	(8,065)	22,022	(46,167)	30,780	(60,822)	30,226	(54,742)	7,635	(13,540)
	1,848	(10,340)	15,447	(48,595)	25,799	(57,307)	27,770	(49,180)	6,704	(10,778)

14. Auditor's remuneration

	Bendigo Defensive Index Fund		Bendigo Conservative Index Fund		Bendigo Balanced Index Fund		Bendigo Growth Index Fund		Bendigo High Growth Index Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Fees of the year due to Ernst & Young for:										
- an audit and review of the financial report of the Fund	9	7	9	7	9	7	10	8	7	6
- compliance plan audit	3	3	3	3	3	3	4	4	2	2
	12	10	12	10	12	10	14	12	9	8

15. Contingent asset and liabilities and commitments

There are no contingent assets and liabilities or commitments as at 30 June 2023 and 30 June 2022.

16. Events after the reporting date

Since 30 June 2023, there has not been any matter or circumstances not otherwise dealt with in the financial report that has significantly affected or may significantly affect the Funds.

Responsible Entity's declaration to the Unitholders of the Bendigo Defensive Index Fund, Bendigo Conservative Index Fund, Bendigo Balanced Index Fund, Bendigo Growth Index Fund and Bendigo High Growth index Fund

The directors of the Responsible Entity declare that:

- (a) the financial statements and notes of the Funds are in accordance with the *Corporations Act 2001* (Cth), including:
 - (i) giving a true and fair view of the financial position of the Funds as at 30 June 2023 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Funds' Constitutions and the *Corporations Act 2001* (Cth);
- (b) there are reasonable grounds to believe that the Funds will be able to pay its debts as and when they become due and payable.
- (c) the financial statements are in accordance with the provisions of the Funds' Constitutions; and
- (d) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2.

This declaration is made in accordance with a resolution of the board of directors of the Responsible Entity.



Vicki Carter
Chair
Melbourne
18 September 2023

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Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Independent Auditor's Report to the Unitholders of Bendigo Conservative Index Fund, Bendigo Balanced Index Fund, Bendigo Defensive Index Fund, Bendigo Growth Index Fund and Bendigo High Growth Index Fund

Opinion

We have audited the financial report of Bendigo Conservative Index Fund, Bendigo Balanced Index Fund, Bendigo Defensive Index Fund, Bendigo Growth Index Fund and Bendigo High Growth Index Fund (the Funds), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the declaration to unitholders.

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

- a) giving a true and fair view of the Funds' financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

The directors of Sandhurst Trustees Limited, as the responsible entity of the Funds are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



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- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Ernst & Young

A handwritten signature in black ink that reads 'Hayley Watson' in a cursive style.

Hayley Watson
Partner
Melbourne
18 September 2023

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