

BT Partner International Share Fund Core 1

ARSN 109 624 106

Annual Report - for the period 1 July 2020 to 24 June 2021

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These financial statements cover BT Partner International Share Fund Core 1 as an individual entity.

The Responsible Entity of BT Partner International Share Fund Core 1 is BT Funds Management Limited (ABN 63 002 916 458). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000.

Directors' report

The directors of BT Funds Management Limited, the Responsible Entity of the BT Partner International Share Fund Core 1 ("the Fund"), present their report together with the Fund's financial statements for the period 1 July 2020 to 24 June 2021.

Principal activities

On 9 October 2020 the Responsible Entity resolved to terminate the Fund effective 12 October 2020. The final redemption proceeds were paid effective 10 December 2020 with final balances settled on 24 June 2021 completing the termination of the Fund. As such the financial statements have not been prepared on a going concern basis. There is no impact on the financial position of the Fund.

During the period, the Fund continued to invest in international equities and derivatives in accordance with the provisions of the governing documents. Through these investments, the Fund was exposed to international equities.

The Fund did not have any employees during the period.

Other than noted in this report, there were no significant changes in the nature of the Fund's activities during the period.

Directors

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

Robin Burns
 Douglas Carmichael (appointed 1 July 2020)
 Michael Cottier
 Melinda Howes
 Gai McGrath (appointed 1 July 2021)
 Jane Perry (resigned 10 July 2020)
 David Plumb (resigned 30 June 2021)
 Katherine Vincent

Review and results of operations

On 9 October 2020 the Responsible Entity resolved to terminate the Fund effective 12 October 2020 and the last unitholders' units were redeemed effective 10 December 2020. Final balances settled on 24 June 2021 completing the termination of the Fund.

The directors and management have assessed the potential financial and other impacts to the Fund of the actions taken to address the coronavirus (COVID-19) global pandemic. The severity and length of the global pandemic and the depth and duration of the associated effects on economic and business activity and on investment markets has impacted investment outcomes and increased volatility investment performance during the period.

There have been no other significant changes to the Fund's operations since the previous financial year. During the period until the Fund's investments were liquidated, the Fund continued to invest in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and the provisions of the Fund's constitution.

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

	Period 1 July 2020 to 24 June 2021	Year ended 30 June 2020
Operating profit/(loss) before finance costs attributable to unitholders (\$)	<u>1,102,558</u>	<u>5,255,923</u>
<i>Distributions - wholesale class</i>		
Distributions paid and payable (\$)	<u>688,673</u>	<u>5,279,493</u>
Distributions (cents per unit)	<u>3.8208</u>	<u>14.4263</u>
<i>Distributions - entry fee class</i>		
Distributions paid and payable (\$)	<u>1,619,410</u>	<u>5,822,088</u>
Distributions (cents per unit)	<u>3.4001</u>	<u>13.2074</u>

Directors' report (continued)

Fund performance

The table below presents the performance of the Fund's classes of units represented by the total annual return, which is calculated as the aggregation of the percentage capital growth and percentage distribution of income. The total annual return is shown for the period 1 July 2020 to 10 December 2020 and for each of the past four years to 30 June 2020 and assumes that all distributions were re-invested during that period.

Wholesale class	Period 1 July 2020 to 10 December				
	2020 %	2020 %	2019 %	2018 %	2017 %
Capital growth	(3.50)	(16.38)	(34.95)	3.26	(24.32)
Distribution of income	<u>6.74</u>	<u>20.35</u>	<u>46.85</u>	<u>5.76</u>	<u>41.27</u>
Total return	<u>3.24</u>	<u>3.97</u>	<u>11.90</u>	<u>9.02</u>	<u>16.95</u>
Entry fee class					
Capital growth	(3.44)	(17.48)	(27.81)	3.03	(28.40)
Distribution of income	<u>6.31</u>	<u>20.40</u>	<u>38.45</u>	<u>4.78</u>	<u>44.01</u>
Total return	<u>2.87</u>	<u>2.92</u>	<u>10.64</u>	<u>7.81</u>	<u>15.61</u>

* Liquidation of the underlying investments commenced on 16 October 2020. Unitholders' units were redeemed effective 10 December 2020.

The key differences, if any, between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

	As at	
	24 June 2021 \$	30 June 2020 \$
Redemption value of outstanding units	-	33,918,003
Adjustment for differences in valuation inputs	<u>-</u>	<u>-</u>
Net assets attributable to unitholders	<u>-</u>	<u>33,918,003</u>

Significant changes in the state of affairs

The last unitholders' units were redeemed effective 10 December 2020 with final balances settled on 24 June 2021 completing the termination of the Fund. This report contains the final set of financial statements for the Fund.

Other than as noted in this report, in the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the financial period.

Matters subsequent to the end of the financial period

As the Fund has terminated, there have been no matters subsequent to the end of the financial period that significantly affected, or may significantly affect, the Fund.

Indemnity and insurance of officers

No insurance premiums were paid for out of the assets of the Fund for insurance cover provided to the officers of the Responsible Entity.

Indemnity of auditors

The auditors of the Fund were in no way indemnified out of the assets of the Fund.

Directors' report (continued)

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

Fees paid to the Responsible Entity and its associates out of Fund property during the period are disclosed in note 14 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial period are disclosed in note 14 to the financial statements.

Interests in the Fund

The movement in units on issue in the Fund during the period is disclosed in note 8 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the balance sheet and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest dollar

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

Auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 5.

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



Michael Cottier
Director



Gai McGrath
Director
Sydney
13 September 2021



Auditor's Independence Declaration

As lead auditor for the audit of BT Partner International Shares Core 1 for the year ended 24 June 2021, I declare that to the best of my knowledge and belief, there have been:

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

A handwritten signature in black ink, appearing to read 'AW', with a long horizontal stroke extending to the right.

Andrew Wilson
Partner
PricewaterhouseCoopers

Sydney
13 September 2021

BT Partner International Share Fund Core 1
Statement of comprehensive income
For the period ended 24 June 2021

Statement of comprehensive income

	Notes	Period 1 July 2020 to 24 June 2021 \$	Year ended 30 June 2020 \$
Income			
Interest income		26	3,112
Dividend income		178,288	948,331
Distribution income		18,404	91,927
Net gains/(losses) on financial instruments held at fair value through profit or loss		2,113,305	5,742,458
Other income		<u>264</u>	<u>4,658</u>
Total income/(loss)		<u>2,310,287</u>	<u>6,790,486</u>
Expenses			
Responsible Entity's fees	14(d)	182,157	980,824
Withholding tax on foreign income		1,001,920	477,312
Transaction costs		21,336	64,641
Other operating expenses	6	<u>2,316</u>	<u>11,786</u>
Total operating expenses		<u>1,207,729</u>	<u>1,534,563</u>
Operating profit/(loss)		<u>1,102,558</u>	<u>5,255,923</u>
Finance costs attributable to unitholders			
Distributions to unitholders	9	(2,308,083)	(11,101,581)
(Increase)/decrease in net assets attributable to unitholders	8	<u>1,205,525</u>	<u>5,845,658</u>
Profit/(loss) for the period/year		-	-
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the period/year		<u>-</u>	<u>-</u>

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

Balance sheet

		As at	
		24 June	30 June
	Notes	2021	2020
		\$	\$
Assets			
Cash and cash equivalents	10	-	1,687,410
Unsettled sales		-	53,892
Accrued income		-	1,772,872
Receivables		-	24,900
Financial assets held at fair value through profit or loss	11	-	<u>35,108,854</u>
Total assets		<u>-</u>	<u>38,647,928</u>
Liabilities			
Unsettled purchases		-	102,391
Distribution payable	9	-	4,561,766
Payables		-	65,760
Financial liabilities held at fair value through profit or loss	12	-	<u>8</u>
Total liabilities (excluding net assets attributable to unitholders)		<u>-</u>	<u>4,729,925</u>
Net assets attributable to unitholders - liability	8	<u>-</u>	<u>33,918,003</u>

The above balance sheet should be read in conjunction with the accompanying notes.

BT Partner International Share Fund Core 1
Statement of changes in equity
For the period ended 24 June 2021

Statement of changes in equity

	Period 1 July 2020 to 24 June 2021 \$	Year ended 30 June 2020 \$
Total equity at the beginning of the financial period/year	-	-
Profit/(loss) for the period/year	-	-
Other comprehensive income	-	-
Total comprehensive income for the period/year	-	-
Transactions with owners in their capacity as owners	-	-
Total equity at the end of the financial period/year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result there was no equity at the start or the end of the period/year.

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

BT Partner International Share Fund Core 1
Statement of cash flows
For the period ended 24 June 2021

Statement of cash flows

	Period 1 July 2020 to 24 June 2021	Year ended 30 June 2020
Notes	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments held at fair value through profit or loss	75,288,036	80,029,093
Purchase of financial instruments held at fair value through profit or loss	(38,233,250)	(39,201,605)
Interest received	-	5,211
Dividends received	910,848	915,249
Distributions received	24,697	72,776
Other income received	25,164	410
Responsible Entity's fees received/(paid)	(244,917)	(1,103,190)
Transaction costs	(21,336)	(64,641)
Payment of other expenses	(5,316)	(16,742)
Net cash inflow/(outflow) from operating activities	15(a) 37,743,926	40,636,561
Cash flows from financing activities		
Proceeds from applications by unitholders	480,362	12,041,186
Payments for redemptions by unitholders	(37,021,833)	(42,144,142)
Distributions paid	(3,040,856)	(12,751,725)
Net cash inflow/(outflow) from financing activities	(39,582,327)	(42,854,681)
Net increase/(decrease) in cash and cash equivalents	(1,838,401)	(2,218,120)
Cash and cash equivalents at the beginning of the period/year	1,687,410	3,751,652
Effects of foreign currency exchange rate changes on cash and cash equivalents	150,991	153,878
Cash and cash equivalents at the end of the period/year	10 -	1,687,410
Non-cash transactions	15(b)	

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

1 General information

These financial statements cover the BT Partner International Share Fund Core 1 ("the Fund") as an individual entity. The Fund was constituted on 15 June 2004.

The Responsible Entity of the Fund is BT Funds Management Limited ("the Responsible Entity"). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000. The financial statements are presented in Australian currency.

During the period until the Fund's investments were liquidated, the Fund invested in international equities and derivatives in accordance with the provisions of the governing documents. Through these investments, the Fund was exposed to international equities.

The financial statements were authorised for issue by the directors of the Responsible Entity on 13 September 2021. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of significant accounting policies

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

(a) Basis of preparation

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

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated. On 9 October 2020, the Responsible Entity resolved to terminate the Fund effective 12 October 2020. The last unitholders' units were redeemed effective 10 December 2020 with final balances settled on 24 June 2021 completing the termination of the Fund. The directors have therefore determined that the going concern basis of preparation is no longer appropriate. As such, the financial statements have been prepared on a liquidation basis whereby the Fund's assets have been measured at their net realisable values and the liabilities have been recognised at their contractual settlement amounts. Adoption of the liquidation basis of preparation has no impact on the carrying amount of assets and liabilities of the Fund.

(i) Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) Comparatives

Certain comparative figures have been restated to conform with the financial statement presentation adopted for the current period.

(iii) New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 July 2020 that have a material impact on the financial report of the Fund.

(b) Financial instruments

(i) Recognition/derecognition

The Fund recognised financial instruments ("investments") on the date it becomes party to the contractual agreement and recognises changes in the fair value of the financial instruments from this date.

Financial assets were derecognised when the contractual right to cash flows from the investments had expired or had been transferred, and the Fund had transferred substantially all of the risks and rewards of ownership.

(ii) Classification

The Fund classified its financial instruments based on its business model for managing its investments and their contractual cash flow characteristics. The Fund's investments were managed and performance was evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy was for the Responsible Entity to evaluate the information about the investments on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows held by the Fund were not solely principal and interest. Consequently, these investments were measured at fair value through profit or loss.

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement

At initial recognition, a financial asset or liability was measured at fair value. Transaction costs associated with financial assets and liabilities carried at fair value through profit or loss were expensed in the statement of comprehensive income.

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

Refer to note 5 for further details on how the fair values of financial instruments were determined.

(iv) Offsetting financial instruments

Financial assets and liabilities may be offset, and the net amount reported, in the balance sheet when there was a legally enforceable right to offset the recognised amounts and there was an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

There were no significant financial assets and liabilities subject to offsetting arrangements as at the end of each reporting period.

(c) Net assets attributable to unitholders

As this Fund was closed to unitholder redemptions, units were not able to be put back to the Fund for cash.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank, deposits held at call with financial institutions and investments in cash management trusts.

Payments and receipts relating to the purchase and sale of financial assets and liabilities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Fund's main income generating activity.

(e) Accrued income

Accrued income may include amounts owed to the Fund for dividends, trust distributions and interest. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued from the time of last payment. Amounts are generally received within 45 days of being recorded as receivables.

(f) Unsettled sales/purchases

Unsettled sales/purchases represent receivables for securities sold and/or payables for securities purchased that have been contracted for but not yet delivered by the end of the reporting period.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund measures the loss allowance on unsettled sales/purchases at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to 12-month expected credit losses. The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses.

(g) Receivables

Receivables include such items as Reduced Input Tax Credits ("RITC") and application monies receivable from unitholders.

(h) Payables

Payables include liabilities, accrued expenses and redemption monies owing by the Fund which are unpaid as at the end of the reporting period.

Where the Responsible Entity has attributed income, a separate distribution payable is recognised in the balance sheet as at the end of each reporting period where this amount remains unpaid as at the end of the reporting period.

2 Summary of significant accounting policies (continued)

(i) Investment income

Interest income is recognised in the statement of comprehensive income for all financial instruments that are not held at fair value through profit or loss as it accrues.

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

Trust distributions (including distributions from cash management trusts) are recognised on an entitlements basis.

(j) Expenses

All expenses, including Responsible Entity's fees, are recognised in the statement of comprehensive income on an accruals basis.

(k) Transaction costs

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in the statement of comprehensive income as an expense.

(l) Income tax

Under current legislation, the Fund is not subject to income tax provided it attributes or distributes (as appropriate) the entirety of its taxable income to its unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be included in the Fund's taxable income for distribution/attribution, so that the Fund is not subject to capital gains tax.

Realised capital losses are not distributed to unitholders but are retained in the Fund to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed or attributed to unitholders.

To the extent allowable by taxation legislation, the benefits of imputation credits and foreign tax paid are passed on to unitholders.

(m) Distributions

In accordance with the Fund's Constitution, the Fund distributed its distributable income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(n) Increase/(decrease) in net assets attributable to unitholders

Income not distributed is included in net assets attributable to unitholders. Movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs attributable to unitholders.

(o) Foreign currency translation

(i) Functional and presentation currency

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

2 Summary of significant accounting policies (continued)

(o) Foreign currency translation (continued)

(ii) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value is determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income on a net basis within net gains/(losses) on financial instruments held at fair value through profit or loss.

(p) Goods and Services Tax (“GST”)

The GST incurred on the costs of various services provided to the Fund, such as management fees, has been passed onto the Fund. The Fund qualifies for RITC, hence fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (“ATO”). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the balance sheet. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(q) Classes of units

The Fund has the following classes of units:

- wholesale class
- entry fee class.

All classes of units are exposed to the same underlying pool of assets. The unit classes are differentiated by the entry fees and by the management fee structures as detailed in note 14.

(r) Use of estimates

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

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

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

For certain other financial instruments, including unsettled sales and purchases and payables, the carrying amounts approximate fair value due to the short term nature of these financial instruments.

The Fund did not have any assets or liabilities as at 24 June 2021 as the Fund completed its termination effective 24 June 2021.

For more information on how fair value is calculated refer to note 5.

(s) New accounting standards and interpretations

A number of new accounting standards and interpretations have been published that are not mandatory for the 24 June 2021 reporting period and have not been early adopted in preparing this financial statements.

These new accounting standards and interpretations will have no future impact as the Fund terminated effective 24 June 2021.

2 Summary of significant accounting policies (continued)

(t) Rounding of amounts

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

3 Termination of the Fund

On 9 October 2020 the Responsible Entity resolved to terminate the Fund effective 12 October 2020. The last unitholders' units were redeemed effective 10 December 2020 with final balances settled on 24 June 2021 completing the termination of the Fund.

This report contains the final set of financial statements for BT Partner International Share Fund Core 1.

4 Financial risk management

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

The Fund's overall risk management program focused on ensuring compliance with its governing documents and sought to maximise the returns derived for the level of risk to which the Fund was exposed. Derivative financial instruments may also have been used (or were used) to alter certain risk exposures. Financial risk management was carried out by the investment manager in accordance with board approved policies.

The Fund used different methods to measure different types of risk to which it was exposed. These methods included sensitivity analysis in the case of interest rate, foreign exchange and price risks and ratings analysis for credit risk.

The investment manager mitigated those financial risks through diversification and a careful selection of securities and other financial instruments within specified limits.

The Fund's performance exceptions to its benchmark were reported to the board/board delegated committee on a regular basis.

The Fund did not have any assets or liabilities as at 24 June 2021.

The directors and management have assessed the potential financial and other impacts to the Fund of the actions taken to address the coronavirus (COVID-19) global pandemic. The severity and length of the global pandemic and the depth and duration of the associated effects on economic and business activity and on investment markets has impacted investment outcomes and increased volatility in investment performance during the period.

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market prices.

Price risk arose on investments held for which prices in the future were uncertain. These were classified in the balance sheet as at fair value through profit or loss. All security investments present a risk of loss of capital.

The Fund did not have any assets or liabilities as at 24 June 2021.

Any exceptions to compliance were reported to the board/board delegated committee on a regular basis.

The table presented in note 4(b) summarises sensitivity analysis to price risk.

(ii) Foreign exchange risk

The Fund held monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities was a component of price risk and not foreign exchange risk. Foreign exchange risk arose as the value of monetary securities denominated in other currencies fluctuated due to changes in exchange rates.

Foreign currency contracts and other derivatives were used to manage foreign exchange risk. Alternatively these instruments were used to increase exposure to preferred foreign currencies.

Exceptions to compliance were reported to the board/board delegated committee on a regular basis.

4 Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

The table below summarises the assets and liabilities, monetary and non-monetary, which were denominated in a currency other than the Australian dollar.

The Fund did not hold any assets and liabilities as at 24 June 2021.

As at 30 June 2020	US Dollars \$	Euro \$	British Pounds \$	Swiss Franc \$	Other currencies \$	Total \$
Cash and cash equivalents	740,898	56	15,019	1,040	2,852	759,865
Unsettled sales	18,441	17,585	-	-	17,866	53,892
Accrued income	58,210	607,372	774	1,049,618	56,061	1,772,035
Financial assets held at fair value through profit or loss	20,901,981	4,308,464	1,675,898	974,563	7,162,635	35,023,541
Unsettled purchases	(83,571)	(10,618)	-	(8,202)	-	(102,391)
Financial liabilities held at fair value through profit or loss	(8)	-	-	-	-	(8)
Net increase/(decrease) in exposure from forward currency contract						
- sell foreign currency	(43)	-	-	(4)	-	(47)
- buy foreign currency	-	4	-	4	-	8
Total exposure	<u>21,635,908</u>	<u>4,922,863</u>	<u>1,691,691</u>	<u>2,017,019</u>	<u>7,239,414</u>	<u>37,506,895</u>
Total monetary assets/(liabilities) exposure	<u>733,935</u>	<u>614,399</u>	<u>15,793</u>	<u>1,042,456</u>	<u>76,779</u>	<u>2,483,362</u>

Foreign exchange risk is measured using sensitivity analysis. The table presented in note 4(b) summarises sensitivity analysis to foreign exchange risk.

(iii) Interest rate risk

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. Changes in interest rates can have a direct or indirect impact on the investment value and/or returns of all types of assets.

The Fund's interest bearing financial assets exposed it to interest rate risk. Interest rate risk from these investments was reported as a component of interest rate risk for the purposes of the sensitivity analysis.

Interest rate risk is mitigated through ensuring activities are transacted in accordance with the investment mandate, overall investment strategy and within approved limits.

Any exceptions to compliance were reported to the board/board delegated committee on a regular basis.

The table presented in note 4(b) summarises sensitivity analysis to interest rate risk.

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the operating profit and net assets attributable to unitholders to price risk, interest rate risk and foreign exchange risk. The analysis is based on reasonably possible movements in the risk variables applied to the Fund's net assets. The reasonably possible movements in the risk variables have been determined based on management estimates, having regard to a number of factors including historical levels of changes in market indices, security prices and/or benchmark returns, interest rates and foreign exchange rates. However actual movements in the risk variables may be greater or less than anticipated due to a number of factors. As a result historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

4 Financial risk management (continued)

(b) Summarised sensitivity analysis (continued)

The reasonably possible movements in the risk variables are based on long term averages consistent with the investing profile of the Fund.

	Impact on operating profit/(loss)/ Net assets attributable to unitholders					
	Price risk		Interest rate risk		Foreign exchange risk**	
	-20% (2020: -15%)	+20% (2020: +15%)	-0.10% (2020: -0.25%)	+0.50% (2020: +0.50%)	-10% (2020: -10%)	+10% (2020: +10%)
As at	\$	\$	\$	\$	\$	\$
24 June 2021*	-	-	-	-	-	-
30 June 2020	(5,266,321)	5,266,321	(4,219)	8,437	248,340	(248,340)

In determining the impact of an increase/(decrease) in net assets attributable to unitholders arising from market risk, the Responsible Entity had considered prior period and expected future movements of the portfolio based on market information.

* The Fund did not have any assets or liabilities as at 24 June 2021.

** The foreign exchange risk is calculated using the reasonably possible percentage times the total monetary assets/(liabilities) exposure calculated in note 4(a)(ii). The foreign exchange risk of a positive reasonably possible percentage represents the strengthening of the Australian dollar against other currencies and a negative reasonably possible percentage represents the weakening of the Australian dollar.

(c) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the Fund.

Credit risk primarily arises from trading in derivative products. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

The assets of the Fund were not impaired.

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 considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as these financial assets 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 insignificant to the Fund.

All transactions in listed securities were settled or paid for upon delivery using approved brokers. The risk of default was considered minimal as the delivery of securities sold was only made once the broker had received payment. Payment was made on the purchase of securities once the securities have been received by the broker. The trade would fail if either party failed to meet its obligations.

Concentrations of direct credit risk were minimised primarily by:

- ensuring counterparties, together with the respective credit limits, were approved,
- ensuring that transactions were undertaken with a number of counterparties, and
- ensuring that the majority of transactions were undertaken on recognised exchanges.

Any exceptions to compliance were reported to the board/board delegated committee on a regular basis.

(d) Liquidity risk

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

The Fund was exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. The liquidity risk associated with the need to meet redemption requests was mitigated by maintaining adequate liquidity to fulfil usual redemption volumes. The Fund therefore primarily held investments that were traded in an active market and could be disposed of readily.

4 Financial risk management (continued)

(d) Liquidity risk (continued)

The risk management guidelines adopted were designed to minimise liquidity risk through:

- ensuring that there was no significant exposure to illiquid or thinly traded financial instruments, and
- applying limits to ensure there was no concentration of liquidity risk to a particular counterparty.

Any exceptions to the above were reported to the board/board delegated committee on a regular basis.

From time to time, investments may have been held in derivative contracts traded over the counter, which were not traded in an organised market and may have been illiquid. These investments may not have been able to be quickly liquidated at an amount close to their fair value to meet liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer or counterparty. Any such investments held at the end are disclosed in the note on derivative financial instruments below.

(i) Maturities of non-derivative financial liabilities

The non-derivative financial liabilities of the Fund comprised distribution payable, unsettled purchases, payables and net assets attributable to unitholders. These had no contractual maturities but were typically settled within 30 days.

The Fund did not have any financial liabilities as at 24 June 2021.

(ii) Maturities of derivative financial instruments liabilities

The table below details the contractual maturities of the derivative financial instruments liabilities which are measured at fair value and considered important to understanding the timing of cash flows.

	Less than 1 month	1 - 3 months	Greater than 3 months	Total
As at 30 June 2020	\$	\$	\$	\$
Net settled derivatives				-
Forward currency contracts	(8)	-	-	(8)

5 Fair value measurement

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

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

Investments were valued in accordance with the accounting policies set out in note 2 to the financial statements.

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

For the majority of financial assets and liabilities, information provided by independent pricing services were relied upon for valuation. Fair value inputs utilised the last traded prices for both financial assets and liabilities.

Where the last traded price did not fall within the bid-ask spread, an assessment was performed by management to determine the appropriate valuation price to use that was most representative of fair value.

A financial instrument was regarded as quoted in an active market if quoted prices were 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.

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

The fair value of financial assets and liabilities that are not traded in an active market is determined by using quoted market prices, dealer quotes and/or valuation techniques.

Forward currency contracts were valued using quoted exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts as at the valuation date.

5 Fair value measurement (continued)

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

(i) Recognised fair value measurements

The Fund did not have any asset or liabilities as at 24 June 2021.

The following table presents the financial assets and liabilities measured and recognised at fair value by fair value hierarchy levels:

As at 30 June 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Financial assets held at fair value through profit or loss:				
Equity securities	35,108,807	-	-	35,108,807
Derivatives	-	47	-	47
Total	<u>35,108,807</u>	<u>47</u>	<u>-</u>	<u>35,108,854</u>
Financial liabilities				
Financial liabilities held at fair value through profit or loss:				
Derivatives	-	(8)	-	(8)
Total	<u>-</u>	<u>(8)</u>	<u>-</u>	<u>(8)</u>

Transfers into and transfers out of the fair value hierarchy levels were recognised at the end of the reporting period.

(ii) Transfers between levels

There were no transfers between levels as at 24 June 2021 or 30 June 2020.

(iii) Valuation processes

Management undertook regular portfolio reviews to identify securities that may not be actively traded or have stale security pricing and could be regarded as level 2 or level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identified securities. In the event that the security was not actively traded an assessment was performed by management to determine the appropriate valuation price to use that was most representative of fair value.

(c) Fair values of non-financial instruments

Due to their short-term nature, the carrying value of receivables and payables are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material as at 24 June 2021 or 30 June 2020.

6 Other operating expenses

	Period 1 July 2020 to 24 June 2021 \$	Year ended 30 June 2020 \$
ASIC fees	-	3,043
Other	<u>2,316</u>	<u>8,743</u>
Total other operating expenses	<u>2,316</u>	<u>11,786</u>

7 Remuneration of auditors

	Period 1 July 2020 to 24 June 2021 \$	Year ended 30 June 2020 \$
<i>Audit and other assurance services</i>		
Audit of financial statements	11,242	23,622
Other services*	<u>1,898</u>	<u>1,356</u>
Total remuneration for audit and other assurance services	<u>13,140</u>	<u>24,978</u>

*Other services include compliance plan audit and controls reporting.

Audit fees were paid by the Responsible Entity for the period ended 24 June 2021 and year ended 30 June 2020.

8 Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the period/year were as follows:

	24 June 2021 No.	30 June 2020 No.	24 June 2021 \$	30 June 2020 \$
Wholesale class				
Opening balance	17,393,059	43,790,738	9,851,385	29,667,335
Applications	358,736	15,871,221	206,461	11,046,449
Redemptions	(19,437,537)	(49,672,396)	(10,662,440)	(34,830,131)
Units issued upon reinvestment of distributions	1,685,742	7,403,496	954,144	5,073,741
Increase/(decrease) in net assets attributable to unitholders from operations	<u>-</u>	<u>-</u>	<u>(349,550)</u>	<u>(1,106,009)</u>
Closing balance	<u>-</u>	<u>17,393,059</u>	<u>-</u>	<u>9,851,385</u>
Entry fee class				
Opening balance	44,700,255	40,134,161	24,066,618	26,187,540
Applications	499,487	1,483,962	273,901	994,738
Redemptions	(50,539,359)	(10,917,775)	(26,359,393)	(7,314,011)
Units issued upon reinvestment of distributions	5,339,617	13,999,907	2,874,849	8,938,000
Increase/(decrease) in net assets attributable to unitholders from operations	<u>-</u>	<u>-</u>	<u>(855,975)</u>	<u>(4,739,649)</u>
Closing balance	<u>-</u>	<u>44,700,255</u>	<u>-</u>	<u>24,066,618</u>
Total net assets attributable to unitholders			<u>-</u>	<u>33,918,003</u>

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund. There were two classes of unitholders in the Fund being wholesale and entry fee.

Capital risk management

On 9 October 2020 the Responsible Entity resolved to terminate the Fund effective 12 October 2020. The last unitholders' units were redeemed effective 10 December 2020 with final balances settled on 24 June 2021 completing the termination of the Fund.

9 Distributions to unitholders

	Period 1 July 2020 to 24 June 2021	Period 1 July 2020 to 24 June 2021	Year ended 30 June 2020	Year ended 30 June 2020
	\$	CPU	\$	CPU
Wholesale class				
Distribution paid				
- 30 September	-	-	23,687	0.0400
- 9 December	688,673	3.8208	-	-
- 31 December	-	-	29,117	0.0500
- 29 January	-	-	3,895,574	6.6666
Distribution payable				
- 30 June	<u>-</u>	<u>-</u>	<u>1,331,114</u>	<u>7.6697</u>
	<u>688,673</u>	<u>3.8208</u>	<u>5,279,493</u>	<u>14.4263</u>
	Period 1 July 2020 to 24 June 2021	Period 1 July 2020 to 24 June 2021	Year ended 30 June 2020	Year ended 30 June 2020
	\$	CPU	\$	CPU
Entry fee class				
Distribution paid				
- 9 December	1,619,410	3.4001	-	-
- 31 March	-	-	2,591,436	5.9800
Distribution payable				
- 30 June	<u>-</u>	<u>-</u>	<u>3,230,652</u>	<u>7.2274</u>
	<u>1,619,410</u>	<u>3.4001</u>	<u>5,822,088</u>	<u>13.2074</u>
Total distributions	<u>2,308,083</u>		<u>11,101,581</u>	

10 Cash and cash equivalents

	As at	
	24 June 2021	30 June 2020
	\$	\$
Cash at bank	-	927,545
Foreign currency holdings	-	759,865
Total cash and cash equivalents	<u>-</u>	<u>1,687,410</u>

11 Financial assets held at fair value through profit or loss

	As at	
	24 June 2021	30 June 2020
	Fair value	Fair value
	\$	\$
Financial assets held at fair value through profit or loss		
Equity securities	-	35,108,807
Derivatives (note 13)	-	47
Total financial assets held at fair value through profit or loss	<u>-</u>	<u>35,108,854</u>
Comprising:		
Equity securities		
Australian equity securities listed on a prescribed stock exchange	-	85,313
International equity securities listed on a prescribed stock exchange	-	35,023,494
Total equity securities	<u>-</u>	<u>35,108,807</u>
Derivatives		
Forward currency contracts	-	47
Total derivatives	<u>-</u>	<u>47</u>
Total financial assets held at fair value through profit or loss	<u>-</u>	<u>35,108,854</u>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 4 and note 5.

12 Financial liabilities held at fair value through profit or loss

	As at	
	24 June 2021	30 June 2020
	Fair value	Fair value
	\$	\$
Financial liabilities held at fair value through profit or loss		
Derivatives (note 13)	-	8
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>8</u>
Derivatives		
Forward currency contracts	-	8
Total derivatives	<u>-</u>	<u>8</u>
Total financial liabilities at fair value through profit or loss	<u>-</u>	<u>8</u>

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in note 4 and note 5.

13 Derivative financial instruments

A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating, credit index or other variable.

Derivative transactions were entered into in the normal course of business.

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

Derivative transactions include many different instruments such as forward currency contracts. Derivatives were considered to be part of the investment process and the use of derivatives was an essential part of the Fund's portfolio management. Derivatives were not managed in isolation. Consequently the use of derivatives was multifaceted and includes:

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

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

The following derivative financial instruments were held during the period/year:

(a) Forward currency contracts

Forward currency contracts are agreements to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are primarily used to hedge against foreign currency exchange rate risks on non-Australian dollar denominated securities.

The derivative financial instruments held at the end of each reporting period are detailed below:

	As at	
	24 June 2021	30 June 2020
	Contract/ notional	Contract/ notional
	\$	\$
Buy		
Forward currency contracts	-	8
Sell		
Forward currency contracts	-	47

Risk exposures and fair value measurements

Information about the exposure to credit risk, foreign exchange risk and interest rate risk and about the methods and assumptions used in determining fair values is provided in note 4 and note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

14 Related party transactions

(a) Responsible Entity

The Responsible Entity of the Fund is BT Funds Management Limited (ABN 63 002 916 458), a wholly owned subsidiary of Westpac Financial Services Group Ltd (ABN 50 000 326 312). The ultimate parent entity is Westpac Banking Corporation (ABN 33 007 457 141). The registered office of the Responsible Entity and the Fund is Level 18, 275 Kent Street, Sydney, NSW 2000.

(b) Directors

The directors of BT Funds Management Limited during the financial period or since the end of the period and up to the date of this report were as follows:

Robin Burns
 Douglas Carmichael (appointed 1 July 2020)
 Michael Cottier
 Melinda Howes
 Gai McGrath (appointed 1 July 2021)
 Jane Perry (resigned 10 July 2020)
 David Plumb (resigned 30 June 2021)
 Katherine Vincent

(c) Other key management personnel

Name	Position	Employer
Jason Yetton	Chief Executive, Specialist Businesses	Westpac Banking Corporation

There was no other person with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the financial period.

(d) Responsible Entity's/manager's fees and other transactions

For the period 1 July 2020 to 24 June 2021, in accordance with the Fund's governing documents, the Fund incurred a total management fee (inclusive of GST, net of RITC available to the Fund) as follows:

- (i) Wholesale class: For the period 1 July 2020 to 11 October 2020 the Responsible Entity received a fee of 1.05% per annum. This fee was decreased to Nil% per annum from 12 October 2020 (30 June 2020: 1.05%),
- (ii) Entry fee class: For the period 1 July 2020 to 11 October 2020 the Responsible Entity received a fee of 2.10% per annum. This fee was decreased to Nil% per annum from 12 October 2020 (30 June 2020: 2.10%).

All expenses in connection with the preparation of accounting records and the maintenance of the unit register were fully borne by the Responsible Entity.

All related party transactions were conducted on normal commercial terms and conditions. The transactions during the period and amounts payable/(receivable) at the end of each reporting period between the Fund and the Responsible Entity were as follows:

	Period 1 July 2020 to 24 June 2021	Year ended 30 June 2020
	\$	\$
Management fees incurred by the Fund	182,157	980,824
Aggregate amounts payable/(receivable) to/(from) the Responsible Entity at the end of the reporting period	-	62,760

14 Related party transactions (continued)

(e) Related party unitholdings

Parties related to the Fund (including the Responsible Entity, its related parties and other funds managed by the Responsible Entity) held units in the Fund as follows (2021: Nil):

30 June 2020

	Number of units held opening	Number of units held closing	Interest held	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund
Unitholder	Units	Units	%	Units	Units	\$
Retirement Wrap	24,627,252	-	-	13,178,854	(37,806,106)	2,306,905
Westpac Life Insurance Services Limited	<u>3,232,981</u>	<u>-</u>	<u>-</u>	<u>2,732,768</u>	<u>(5,965,749)</u>	<u>333,721</u>
Total	<u>27,860,233</u>	<u>-</u>	<u>-</u>	<u>15,911,622</u>	<u>(43,771,855)</u>	<u>2,640,626</u>

(f) Transactions with key management personnel

Key management personnel services were provided by BT Funds Management Limited and included in the management fees disclosed in (d) above. There was no separate charge for these services. There was no compensation paid directly by the Fund to any of the key management personnel.

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

Key management personnel unitholdings

At 24 June 2021 no key management personnel held units in the Fund (2020: Nil).

(g) Investments

The Fund did not hold any investments in the Responsible Entity or its related parties during the period (2020: \$Nil).

(h) Other transactions within the Fund

On 9 October 2020 the directors of BT Funds Management Limited approved the acquisition of residual assets in the form of withholding tax reclaims (ie tax refunds in respect to taxes paid by the Fund on income earned in those countries) and other net receivables by Westpac Financial Services Group Limited totalling \$456,018 at its carrying value from the Fund to enable the wind up of the Fund. Following the termination, any future withholding tax reclaims received will be paid to Westpac Financial Services Group Limited.

Withholding tax reclaims processed but not received by their statutory recovery date were written off in the Fund due to low probability of receipt. It may be possible that some of these tax refunds may still be paid by foreign tax authorities. Where any such amounts are received and are attributable to unitholders at the time of the Fund's termination date, these amount will be returned to unitholders as they represent the additional capital proceeds which would have been paid to unitholders at the time of the Fund's termination had there been greater certainty they would have been receivable. If withholding tax reclaims are received they will be paid to the unitholders of the Fund at the date of termination and Westpac Financial Services Group Limited as appropriate.

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

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

	Period 1 July 2020 to 24 June 2021 \$	Year ended 30 June 2020 \$
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		
Operating profit/(loss) for the period/year	1,102,558	5,255,923
Proceeds from sale of financial instruments held at fair value through profit or loss	75,288,036	80,029,093
Purchase of financial instruments held at fair value through profit or loss	(38,233,250)	(39,201,605)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(2,113,305)	(5,742,458)
Income reinvested	(29,933)	(37,191)
Net change in accrued income and receivables	1,795,580	452,165
Net change in payables	(65,760)	(119,366)
Net cash inflow/(outflow) from operating activities	<u>37,743,926</u>	<u>40,636,561</u>
(b) Non-cash transactions		
Distribution payments satisfied by the issue of units under the distribution reinvestment plan	<u>3,828,993</u>	<u>14,011,741</u>

16 Events occurring after the reporting period

As the Fund has terminated, there have been no matters subsequent to the end of the reporting period that significantly affected, or may significantly affect, the Fund.

17 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 24 June 2021 and 30 June 2020.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 25 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Fund's financial position as at 24 June 2021 and of its performance for the period 1 July 2020 to 24 June 2021,
- (b) as disclosed in note 2(a) to the financial statements, the Fund has been terminated and all debts were paid for at that time, and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Michael Cottier
Director



Gai McGrath
Director

Sydney
13 September 2021



Independent auditor's report

To the unitholders of BT Partner International Share Fund Core 1

Our opinion

In our opinion:

The accompanying financial report of BT Partner International Share Fund Core 1 (the Fund) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Fund's financial position as at 24 June 2021 and of its financial performance for the period then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the balance sheet as at 24 June 2021
- the statement of comprehensive income for the period then ended
- the statement of changes in equity for the period then ended
- the statement of cash flows for the period then ended
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

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

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

Independence

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

Emphasis of matter - going concern no longer appropriate

We draw attention to Note 2(a) in the financial report, which states that on 9 October 2020 the Responsible Entity resolved to terminate the Fund effective 12 October 2020. The last unitholders' units were redeemed effective 10 December 2020 with final balances settled on 24 June 2021

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completing the termination of the Fund. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis. Our opinion is not modified in respect of this matter.

Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the Fund's annual report for the period ended 24 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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



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

A handwritten signature in black ink that reads 'PricewaterhouseCoopers' in a cursive, flowing script.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to be 'AW', written in a stylized, cursive script.

Andrew Wilson
Partner

Sydney
13 September 2021