

# **BT American Share Fund**

ARSN 087 587 906

## **Annual report - for the year ended 30 June 2024**

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These financial statements cover BT American Share Fund as an individual entity.

The Responsible Entity of BT American Share Fund is Westpac Financial Services Limited (ABN 20 000 241 127). The Responsible Entity's registered office is Level 18, 275 Kent Street, Sydney, NSW 2000.

## Directors' report

The directors of Westpac Financial Services Limited, the Responsible Entity of the BT American Share Fund ("the Fund"), present their report together with the Fund's financial statements for the year ended 30 June 2024.

### Principal activities

During the year, the Fund continued to invest into equities and money market securities 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 year.

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

### Directors

The following persons held office as directors of Westpac Financial Services Limited during the year or since the end of the year and up to the date of this report:

Vicki Allen (Resigned 7 December 2023)

Lara Bourguignon (Appointed 8 December 2023)

Andrew Rutherford

Jonathan Sweeney

### Review and results of operations

During November 2023 a unitholder who is not related to the Responsible Entity fully redeemed their holding in the Fund due to their fund terminating effective 28 November 2023. As at 30 June 2023, the unitholder held approximately 47% of the units in the Fund.

There have been no other significant changes to the Fund's operations since the previous financial year. 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:

	Year ended	
	30 June 2024	30 June 2023
Operating profit/(loss) (\$'000)	<u>8,482</u>	<u>11,654</u>
<i>Distributions</i>		
Distributions paid and payable (\$'000)	<u>12,972</u>	<u>5,023</u>
Distributions (cents per unit)	<u>166.1417</u>	<u>35.3853</u>

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	
	30 June 2024 \$'000	30 June 2023 \$'000
Redemption value of outstanding units	29,760	64,424
Adjustment for differences in valuation inputs	<u>43</u>	<u>65</u>
Net assets attributable to unitholders	<u>29,803</u>	<u>64,489</u>

## Directors' report (continued)

### Significant changes in the state of affairs

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

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

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- (i) the operations of the Fund in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Fund in future financial years.

### Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### Indemnity and insurance of officers

No insurance premiums are 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 are in no way indemnified out of the assets of the Fund.

### 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 year are disclosed in note 10 to the financial statements.

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

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in note 10 to the financial statements.

### Interests in the Fund

The movement in units on issue in the Fund during the year is disclosed in note 6 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 are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

### Rounding of amounts to the nearest thousand dollars

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

## Directors' report (continued)

### Auditor's independence declaration

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

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



Jonathan Sweeney  
Director



Andrew Rutherford  
Director

Sydney

16 September 2024



## Auditor's Independence Declaration

As lead auditor for the audit of BT American Share Fund for the year ended 30 June 2024, 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 'Alexandra Richardson'.

Alexandra Richardson  
Partner  
PricewaterhouseCoopers

Sydney  
16 September 2024

## Statement of comprehensive income

	Notes	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Income</b>			
Interest income		5	2
Dividend income		655	964
Net gains/(losses) on financial instruments held at fair value through profit or loss		8,427	11,549
Other income		68	5
<b>Total income/(loss)</b>		<b>9,155</b>	<b>12,520</b>
<b>Expenses</b>			
Responsible Entity's fees	10(c)	550	703
Withholding tax on foreign income		83	143
Other operating expenses		40	20
<b>Total operating expenses</b>		<b>673</b>	<b>866</b>
<b>Operating profit/(loss)</b>		<b>8,482</b>	<b>11,654</b>
<b>Profit/(loss) for the year</b>		<b>8,482</b>	<b>11,654</b>
Other comprehensive income		—	—
<b>Total comprehensive income for the year</b>		<b>8,482</b>	<b>11,654</b>

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

## Balance sheet

		As at	
	Notes	30 June 2024 \$'000	30 June 2023 \$'000
<b>Assets</b>			
Cash and cash equivalents	8	329	563
Unsettled sales		–	893
Accrued income		31	85
Receivables		–	15
Financial assets held at fair value through profit or loss	9	42,441	69,248
<b>Total assets</b>		<b>42,801</b>	<b>70,804</b>
<b>Liabilities</b>			
Bank overdraft	8	–	523
Unsettled purchases		–	476
Distribution payable	7	12,932	4,969
Payables		66	347
<b>Total liabilities</b>		<b>12,998</b>	<b>6,315</b>
<b>Net assets attributable to unitholders - equity</b>	6	<b>29,803</b>	<b>64,489</b>

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



**Statement of changes in equity**

		Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
	Notes		
<b>Total equity at the beginning of the financial year</b>		<b>64,489</b>	51,731
<b>Comprehensive income for the year</b>			
Profit/(loss) for the year		<b>8,482</b>	11,654
Other comprehensive income		<u>—</u>	<u>—</u>
<b>Total comprehensive income for the year</b>		<b>8,482</b>	11,654
<b>Transactions with unitholders</b>			
Applications	6	<b>2,374</b>	4,496
Redemptions	6	<b>(36,753)</b>	(7,406)
Units issued upon reinvestment of distributions	6	<b>4,183</b>	9,037
Distributions paid and payable	7	<b>(12,972)</b>	(5,023)
<b>Total transactions with unitholders</b>		<b>(43,168)</b>	1,104
<b>Total equity at the end of the financial year</b>		<b>29,803</b>	64,489

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

## Statement of cash flows

	Notes	Year ended	
		30 June 2024 \$'000	30 June 2023 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments held at fair value through profit or loss		148,562	171,279
Purchase of financial instruments held at fair value through profit or loss		(112,911)	(162,096)
Interest received		5	2
Dividends received		625	823
Other income received		77	14
Responsible Entity's fees received/(paid)		(579)	(700)
Payment of other operating expenses		(41)	—
<b>Net cash inflow/(outflow) from operating activities</b>	11(a)	<b>35,738</b>	<b>9,322</b>
<b>Cash flows from financing activities</b>			
Proceeds from applications by unitholders		2,380	4,490
Payments for redemptions by unitholders		(37,003)	(7,156)
Distributions paid		(826)	(2,072)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(35,449)</b>	<b>(4,738)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>289</b>	<b>4,584</b>
Cash and cash equivalents at the beginning of the year		40	(4,582)
Effects of foreign currency exchange rate changes on cash and cash equivalents		—	38
<b>Cash and cash equivalents at the end of the year</b>	8	<b>329</b>	<b>40</b>
Non-cash transactions	11(b)		

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

## **1 General information**

These financial statements cover BT American Share Fund ("the Fund") as an individual entity. The Fund was constituted on 21 May 1986.

The Responsible Entity of the Fund is Westpac Financial Services 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 year, the Fund continued to invest into equities and money market securities 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 16 September 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of material accounting policies**

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years 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.

The balance sheet is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for financial assets at fair value through profit or loss.

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

In the case of net assets attributable to unitholders, the units are redeemed on demand at the unitholder's option. However holders of these instruments typically retain them for the medium to long term. As such the amount expected to be settled within 12 months cannot be reliably determined at the end of the reporting period.

#### *(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 year where applicable.

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

Other than as noted below, there are no standards or amendments to accounting standards and interpretations that are effective for the first time for the annual period beginning 1 July 2023 that have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

*AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*

AASB 2021-2 became effective for annual reporting periods beginning on or after 1 January 2023. It amends Australian Accounting Standards to improve accounting policy disclosures and clarify the distinction between accounting policies and accounting estimates. The adoption of this standard did not have a material impact on the accounting policy disclosures in the financial report.

### **(b) Financial instruments**

#### *(i) Recognition/derecognition*

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

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

## 2 Summary of material accounting policies (continued)

### (b) Financial instruments (continued)

#### (ii) Classification

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

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

#### (iii) Measurement

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

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in fair value of financial assets at fair value through profit or loss are 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 arise.

Refer to note 4 for further details on how the fair values of financial instruments are determined.

### (c) Net assets attributable to unitholders

Units are redeemable at the unitholder's option, however applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as equity as the Fund has only one class of units and no contractual obligation to pay distributions.

A unitholder can redeem units at any time for cash based on the redemption price, which is equal to a proportionate share of the Fund's net asset value, less any redemption spread.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the puttable financial instrument entitles the holder to a pro-rata share of net assets in the event of the Fund's liquidation,
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical,
- apart from the contractual obligation to redeem the units, the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Fund, and it is not a contract settled in the Fund's own equity instruments, and
- the total expected cash flows attributed to the puttable financial instrument over its life are based substantially on the profit or loss of the Fund.

### (d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash at bank, bank overdrafts, deposits held at call with financial institutions and investments in cash management trusts where they hold short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown under liabilities in the balance sheet.

Payments and receipts relating to the purchase and sale of financial assets 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 and interest. Dividends 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.

## 2 Summary of material accounting policies (continued)

### (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 operating 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 income that is distributable to unitholders, 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.

### (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.

Interest income and expenses are recognised in the statement of comprehensive income for all debt instruments using the effective interest method.

Interest income is recognised in the statement of comprehensive income as it accrues, using the original effective interest rate of the instrument calculated at acquisition or origination date. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. Interest income includes the amortisation of any discount or premium or other differences between initial carrying amount of an interest-bearing instrument and its amount calculated on an effective interest rate basis.

Dividend income is recognised when the Fund's right to receive payment is established with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income.

### (j) Expenses

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

### (k) 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.

### (l) Distributions

In accordance with the Fund's Constitution, the Responsible Entity is entitled to determine the amounts to be distributed to unitholders. The distributions are recognised in the statement of changes in equity.

### (m) 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 material accounting policies (continued)

### (m) 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 year 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.

### (n) 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.

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.

Refer to note 4 for further details on how fair value is calculated.

### (o) New accounting standards and interpretations

A number of new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the reporting period commencing 1 July 2023, and have not been early adopted by the Fund. These standards, amendments or interpretations are not expected to have a material impact on the Fund in the current or future reporting periods and on foreseeable future transactions.

### (p) 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 thousand dollars, unless otherwise indicated.

## 3 Financial risk management

The Fund's activities expose 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 focuses on compliance with its governing documents and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. Financial risk management is required to be carried out by the investment manager in accordance with board approved policies.

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

The investment manager mitigates these 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 are reported to the board on a regular basis.

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

Exceptions in relation to price risk are reported to the board as required.

The table presented in note 3(b) summarises sensitivity analysis to price risk.

### 3 Financial risk management (continued)

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

##### (ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuates due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk.

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

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

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

	US Dollars A\$'000	Canadian Dollars A\$'000	Total A\$'000
<b>As at 30 June 2024</b>			
Cash and cash equivalents	1	–	1
Accrued income	31	–	31
Financial assets held at fair value through profit or loss	42,027	414	42,441
<b>Total exposure</b>	<b>42,059</b>	<b>414</b>	<b>42,473</b>
Total monetary assets/(liabilities) exposure	32	–	32
	US Dollars A\$'000	Canadian Dollars A\$'000	Total A\$'000
<b>As at 30 June 2023</b>			
Unsettled sales	369	–	369
Accrued income	55	–	55
Financial assets held at fair value through profit or loss	68,643	605	69,248
Bank overdraft	(523)	–	(523)
Unsettled purchases	(476)	–	(476)
<b>Total exposure</b>	<b>68,068</b>	<b>605</b>	<b>68,673</b>
Total monetary assets/(liabilities) exposure	(575)	–	(575)

##### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or 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 does not have any significant direct exposure to interest rate risk.

### 3 Financial risk management (continued)

#### (b) Summarised sensitivity analysis

The following table summarises the sensitivity of the operating profit and net assets attributable to unitholders to price 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.

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	
	-25% (2023: -20%) \$'000	+25% (2023: +20%) \$'000
As at		
30 June 2024	(10,459)	10,459
30 June 2023	(13,711)	13,711

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

#### (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.

##### (i) General approach

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. 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.

Credit risk management is carried out by the investment manager.

##### (ii) Settlement of security transactions

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

#### (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 is 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 is mitigated by maintaining adequate liquidity to fulfil usual redemption volumes. The Fund therefore primarily holds investments that are traded in an active market and can be disposed of readily. Only a limited proportion of its assets are not traded on an active market.

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

The non-derivative financial liabilities of the Fund comprise distribution payable, unsettled purchases and payables. These have no contractual maturities but are typically settled within 30 days.



## 4 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 are 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)

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

For the majority of financial assets, information provided by independent pricing services is relied upon for valuation. Fair value inputs utilise the last traded prices for financial assets.

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

Interest bearing financial assets are valued at quoted market prices at the end of the reporting period as provided by independent pricing services.

### (b) Recognised fair value measurements

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

As at 30 June 2024	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets held at fair value through profit or loss:				
Money market securities	605	—	—	605
Equity securities	41,836	—	—	41,836
<b>Total</b>	<b>42,441</b>	<b>—</b>	<b>—</b>	<b>42,441</b>
As at 30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets</b>				
Financial assets held at fair value through profit or loss:				
Money market securities	693	—	—	693
Equity securities	68,555	—	—	68,555
<b>Total</b>	<b>69,248</b>	<b>—</b>	<b>—</b>	<b>69,248</b>

There were no financial liabilities measured and recognised at fair value as at 30 June 2024 and 30 June 2023.

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

### (c) Transfers between levels

There were no transfers between levels as at 30 June 2024 or 30 June 2023.

### (d) Fair value of receivables and payables

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

## 5 Remuneration of auditors

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
<i>Audit and other assurance services</i>		
Audit of financial statements	30,497	33,640
Other services*	7,158	3,088
Total remuneration for audit and other assurance services inclusive of GST	37,655	36,728

\*Other services include the compliance plan audit.

Audit fees were paid by the Responsible Entity for the years ended 30 June 2024 and 30 June 2023.

## 6 Net assets attributable to unitholders

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

	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	No. '000	No. '000	\$'000	\$'000
Opening balance	14,192	12,620	64,489	51,731
Profit/(loss) for the year	—	—	8,482	11,654
Applications	488	1,044	2,374	4,496
Redemptions	(7,803)	(1,676)	(36,753)	(7,406)
Units issued upon reinvestment of distributions	920	2,204	4,183	9,037
Distributions paid and payable	—	—	(12,972)	(5,023)
Closing balance	7,797	14,192	29,803	64,489

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

### Capital risk management

Management manages the Fund's net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders.

Management monitors the level of daily applications and redemptions relative to the liquid assets in the Fund. In the event of a significant redemption, as permitted under the governing documents, management may decide to pay a special distribution and/or may delay payment of the redemption amount.

## 7 Distributions to unitholders

	Year ended			
	30 June 2024	30 June 2024	30 June 2023	30 June 2023
	\$'000	CPU	\$'000	CPU
Distributions paid				
- 30 September	40	0.3000	—	—
- 31 December	—	—	18	0.1200
- 31 March	—	—	36	0.2500
Distribution payable				
- 30 June	12,932	165.8417	4,969	35.0153
Total	12,972	166.1417	5,023	35.3853

## 8 Cash and cash equivalents

	As at 30 June 2024 \$'000	30 June 2023 \$'000
Domestic cash at bank	328	563
Foreign cash at bank	1	–
Total cash and cash equivalents	329	563
Bank overdraft*	–	(523)
Total cash and cash equivalents as per statement of cash flows	329	40

\* As at 30 June 2023, the negative cash at bank represented an overdraft position that was due to the timing of financing activities.

## 9 Financial assets held at fair value through profit or loss

	As at 30 June 2024 Fair value \$'000	30 June 2023 Fair value \$'000
<b>Financial assets held at fair value through profit or loss</b>		
Money market securities	605	693
Equity securities	41,836	68,555
<b>Total financial assets held at fair value through profit or loss</b>	42,441	69,248
<b>Comprising:</b>		
<b>Money market securities</b>		
International money market securities	605	693
Total money market securities	605	693
<b>Equity securities</b>		
International equity securities listed on a prescribed stock exchange	41,836	68,555
Total equity securities	41,836	68,555
<b>Total financial assets held at fair value through profit or loss</b>	42,441	69,248

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in note 3 and note 4.

## 10 Related party transactions

### (a) Responsible Entity

The Responsible Entity of the Fund is Westpac Financial Services Limited (ABN 20 000 241 127), a wholly owned subsidiary of Westpac Financial Services Group Pty Limited (ABN 50 000 326 312). Up until 27 June 2024, Westpac Financial Services Limited was a wholly owned subsidiary of BT Financial Group Holdings Pty Ltd (ABN 50 658 576 268). 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

Key management personnel includes persons who were directors of Westpac Financial Services Limited during the financial year or since the end of the year and up to the date of this report as follows:

Vicki Allen (Resigned 7 December 2023)

Lara Bourguignon (Appointed 8 December 2023)

Andrew Rutherford

Jonathan Sweeney

## 10 Related party transactions (continued)

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

For the year ended 30 June 2024, in accordance with the Fund's governing documents, the Fund incurred a total management fee of 1.08% (inclusive of GST, net of RITC available to the Fund) per annum (2023: 1.08%).

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

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

	Year ended	
	30 June 2024	30 June 2023
	\$	\$
Management fees incurred by the Fund	549,733	703,310
Aggregate amounts payable/(receivable) to/(from) the Responsible Entity at the end of the reporting period	34,871	64,082

### (d) Related party unitholdings

Other funds related to the Responsible Entity hold units in the Fund but these funds do not meet the definition of related parties under the Australian Accounting Standards and as such unitholdings are not required to be disclosed.

### (e) Transactions with key management personnel

Key management personnel are those with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly, during the financial period.

Key management personnel services are provided to Westpac Financial Services Limited and included in the management fees disclosed in (c) above. There is 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 30 June 2024, no key management personnel held units in the Fund (2023: Nil).

### (f) Investments

The Fund did not hold any investments in the Responsible Entity or its related parties during the year (2023: Nil).

### (g) Other transactions within the Fund

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

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

	Year ended	
	30 June 2024 \$'000	30 June 2023 \$'000
<b>(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities</b>		
Operating profit/(loss) for the year	8,482	11,654
Proceeds from sale of financial instruments held at fair value through profit or loss	148,562	171,279
Purchase of financial instruments held at fair value through profit or loss	(112,911)	(162,096)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(8,427)	(11,549)
Net change in accrued income and receivables	62	(1)
Net change in payables	(30)	35
<b>Net cash inflow/(outflow) from operating activities</b>	<b>35,738</b>	<b>9,322</b>
<b>(b) Non-cash transactions</b>		
Distribution payments satisfied by the issue of units under the distribution reinvestment plan	4,183	9,037

## 12 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the balance sheet as at 30 June 2024 or on the results and cash flows of the Fund for the year ended on that date.

## 13 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2024 or 30 June 2023.

## Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 20 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 30 June 2024 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, 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.



Jonathan Sweeney  
Director



Andrew Rutherford  
Director

Sydney

16 September 2024



## Independent auditor's report

To the unitholders of BT American Share Fund

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### Our opinion

In our opinion:

The accompanying financial report of BT American Share Fund (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 30 June 2024 and of its financial performance for the year 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 30 June 2024
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, including material accounting policy information and other explanatory information
- the directors' declaration.

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### Basis for opinion

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

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

### Independence

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

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### Other information

The directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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



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

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

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

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

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

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

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

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

A stylized, handwritten-style signature of the PricewaterhouseCoopers firm.

PricewaterhouseCoopers

A handwritten signature of Alexandra Richardson.

Alexandra Richardson  
Partner

Sydney  
16 September 2024