

BT Investment Funds

Annual Report

BT Japanese Share Fund

ARSN 091 206 272

for the year ended 30 June 2022

The Responsible Entity of the Fund is Westpac Financial Services Limited
ABN 20 000 241 127, AFSL No. 233716.

The repayment of capital and the performance of the Fund is not guaranteed
by either the Responsible Entity, Westpac Banking Corporation or member
companies of the Westpac Group.

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**Annual report - for the year ended
30 June 2022**

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

The Responsible Entity of BT Japanese 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 Japanese Share Fund ("the Fund"), present their report together with the Fund's financial statements for the year ended 30 June 2022.

Principal activities

On 14 June 2022, the Responsible Entity approved the termination of the Fund, with the termination to commence on or around 14 July 2022. 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 year, the Fund continued to invest into the Pandal Japanese Share Fund in accordance with the provisions of the governing documents. Through this investment, the Fund was exposed to international equities.

The Fund did not have any employees during the year.

Other than the above, 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
 Andrew Rutherford
 Jonathan Sweeney
 Katherine Vincent (resigned 4 October 2021)

Review and results of operations

Up until 14 June 2022, the Fund was closed to investment by new investors, however, existing investors could continue to invest in the Fund. The Fund was closed to additional contributions from 14 June 2022, when the decision was made to terminate 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 2022	30 June 2021
Operating profit/(loss) (\$)	<u>(1,549,429)</u>	<u>1,149,943</u>
<i>Distributions</i>		
Distributions paid and payable (\$)	<u>74,717</u>	<u>24,539</u>
Distributions (cents per unit)	<u>0.832</u>	<u>0.252</u>

Directors' report (continued)

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 2022	30 June 2021
	\$	\$
Redemption value of outstanding units	6,416,706	8,622,086
Adjustment for differences in valuation inputs	-	-
Net assets attributable to unitholders	6,416,706	8,622,086

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

On 14 June 2022, the Responsible Entity approved the termination of the Fund, with the termination to commence on or around 14 July 2022. The final redemption proceeds were paid effective 18 August 2022.

Apart from the above, no other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect, the Fund.

Likely developments and expected results of operations

The last unitholders' units were redeemed effective 14 July 2022 and the final redemption proceeds were paid effective 18 August 2022. The termination of the fund will be completed once final balances are settled.

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 12 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 12 to the financial statements.

Interests in the Fund

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

Directors' report (continued)

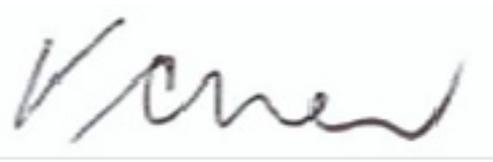
Rounding of amounts to the nearest dollar

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.



Vicki Allen
Director



Jonathan Sweeney
Director

Sydney
19 September 2022



Auditor's Independence Declaration

As lead auditor for the audit of BT Japanese Share Fund for the year ended 30 June 2022, 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', written in a cursive style.

Alexandra Richardson
Partner
PricewaterhouseCoopers

Sydney
19 September 2022

BT Japanese Share Fund
Statement of comprehensive income
For the year ended 30 June 2022

Statement of comprehensive income

	Notes	Year ended	
		30 June 2022	30 June 2021
		\$	\$
Income			
Interest income		7	17
Distribution income		80,858	50,515
Net gains/(losses) on financial instruments held at fair value through profit or loss		<u>(1,624,144)</u>	1,125,405
Total income/(loss)		<u>(1,543,279)</u>	1,175,937
Expenses			
Responsible Entity's fees	12(d)	6,150	22,132
Other operating expenses	6	-	3,862
Total operating expenses		<u>6,150</u>	25,994
Operating profit/(loss)		<u>(1,549,429)</u>	1,149,943
Profit/(loss) for the year		(1,549,429)	1,149,943
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(1,549,429)</u>	1,149,943

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

BT Japanese Share Fund
Balance sheet
As at 30 June 2022

Balance sheet

	Notes	As at	
		30 June 2022	30 June 2021
		\$	\$
Assets			
Cash and cash equivalents	10	-	25,819
Unsettled sales		119,949	17,604
Accrued income		80,855	50,515
Receivables		33	40
Financial assets held at fair value through profit or loss	11	6,481,374	8,553,191
Total assets		6,682,211	8,647,169
Liabilities			
Bank overdraft	10	90,781	-
Distribution payable	9	74,717	24,539
Payables		100,007	544
Total liabilities		265,505	25,083
Net assets attributable to unitholders - equity	8	6,416,706	8,622,086

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

BT Japanese Share Fund
Statement of changes in equity
For the year ended 30 June 2022

Statement of changes in equity

		Year ended	
		30 June	30 June
		2022	2021
Notes		\$	\$
	Total equity at the beginning of the financial year	8,622,086	7,813,157
	Comprehensive income for the year		
	Profit/(loss) for the year	(1,549,429)	1,149,943
	Other comprehensive income	-	-
	Total comprehensive income for the year	(1,549,429)	1,149,943
	Transactions with unitholders		
	Applications	8 150,700	251,408
	Redemptions	8 (749,699)	(578,050)
	Units issued upon reinvestment of distributions	8 17,765	10,167
	Distributions paid and payable	9 (74,717)	(24,539)
	Total transactions with unitholders	(655,951)	(341,014)
	Total equity at the end of the financial year	6,416,706	8,622,086

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

BT Japanese Share Fund
Statement of cash flows
For the year ended 30 June 2022

Statement of cash flows

		Year ended	
		30 June 2022	30 June 2021
Notes		\$	\$
Cash flows from operating activities			
	Proceeds from sale of financial instruments held at fair value through profit or loss	531,093	581,043
	Purchase of financial instruments held at fair value through profit or loss	(135,250)	(233,877)
	Interest received	10	17
	Other income received	7	380
	Responsible Entity's fees received/(paid)	(6,285)	(25,073)
	Payment of other expenses	-	(5,765)
	Net cash inflow/(outflow) from operating activities	389,575	316,725
15(a)		<u>389,575</u>	<u>316,725</u>
Cash flows from financing activities			
	Proceeds from applications by unitholders	150,700	251,408
	Payments for redemptions by unitholders	(650,101)	(578,358)
	Distributions paid	(6,774)	(3,507)
	Net cash inflow/(outflow) from financing activities	(506,175)	(330,457)
		<u>(506,175)</u>	<u>(330,457)</u>
	Net increase/(decrease) in cash and cash equivalents	(116,600)	(13,732)
		<u>(116,600)</u>	<u>(13,732)</u>
	Cash and cash equivalents at the beginning of the year	25,819	39,551
	Cash and cash equivalents at the end of the year	(90,781)	25,819
10		<u>(90,781)</u>	<u>25,819</u>
	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 BT Japanese Share Fund ("the Fund") as an individual entity. The Fund was constituted on 14 January 2000.

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 the Pandal Japanese Share Fund in accordance with the provisions of the governing documents. Through this investment, the Fund was exposed to international equities.

The financial statements were authorised for issue by the directors of the Responsible Entity on 19 September 2022. 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 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. On 14 June 2022 the Responsible Entity approved the termination of the Fund, with the termination to commence on or around 14 July 2022. 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 year.

(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 year beginning 1 July 2021 that have a material impact on the amounts recognised in the financial statements in the prior, current or future periods.

(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 significant 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 unlisted unit trusts, 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 the 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 5 for further details on how the fair values of financial instruments are determined.

(c) Investments in unconsolidated entities

Investments in unconsolidated entities are measured in accordance with note 2(b).

(d) 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.

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,
- 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.

2 Summary of significant accounting policies (continued)

(e) 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 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.

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.

(f) Accrued income

Accrued income may include amounts owed to the Fund for trust distributions and interest. 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 receivable.

(g) 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.

(h) Receivables

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

(i) 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.

(j) 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.

Trust distributions (including distributions from cash management trusts) are recognised on an entitlement's basis.

(k) Expenses

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

2 Summary of significant accounting policies (continued)

(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 Responsible Entity is entitled to determine the amounts to be distributed to unitholders. The distributions are recognised in the statement of changes in equity.

(n) 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.

(o) 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 5 for further details on how fair value is calculated.

(p) New accounting standards and interpretations

A number of new accounting standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. None of these are expected to have a material effect on the financial statements of the Fund.

(q) 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 14 June 2022, the Responsible Entity approved the termination of the Fund, with the termination to commence on or around 14 July 2022. The last unitholders' units were redeemed effective 14 July 2022 and the final redemption proceeds were paid effective 18 August 2022. The termination of the Fund will be completed once final balances are settled.

4 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 ensuring 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 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 to compliance are reported to the board on a regular basis.

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

(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 does not hold any significant monetary assets denominated in currencies other than the Australian dollar as at 30 June 2022 and 30 June 2021.

Exceptions to compliance are reported to the board on a regular basis.

(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.

4 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	
	-20% (2021: -20%)	+20% (2021: +20%)
As at	\$	\$
30 June 2022	(1,296,275)	1,296,275
30 June 2021	(1,710,638)	1,710,638

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 cash and cash equivalents, deposits with banks and other financial institutions and amounts due from brokers.

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.

Investments in unlisted unit trusts are exposed to credit risk.

Concentrations of direct credit risk are minimised primarily by:

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

Exceptions to compliance are reported to the board on a regular basis.

4 Financial risk management (continued)

(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. The liquidity risk associated with the need to meet redemption requests is mitigated by maintaining adequate liquidity to fulfil usual redemption volumes.

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

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

Exceptions to the above are reported to the board on a regular basis.

(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.

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

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

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

Unlisted unit trusts are valued at the redemption value per unit as reported by the managers of such funds.

(i) 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 2022	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Financial assets held at fair value through profit or loss:				
Unlisted unit trusts - Units in international equity trusts	-	6,481,374	-	6,481,374
Total	-	6,481,374	-	6,481,374

There were no financial liabilities measured and recognised at fair value as at 30 June 2022.

5 Fair value measurement (continued)

(i) Recognised fair value measurements (continued)

As at 30 June 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets held at fair value through profit or loss:				
Unlisted unit trusts - Units in international equity trusts	-	8,553,191	-	8,553,191
Total	-	8,553,191	-	8,553,191

There were no financial liabilities measured and recognised at fair value as at 30 June 2021.

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

(ii) Transfers between levels

There were no transfers between levels as at 30 June 2022 or 30 June 2021.

(iii) Valuation processes

Management undertakes 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 is not actively traded, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

(b) 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.

6 Other operating expenses

	Year ended	
	30 June 2022 \$	30 June 2021 \$
Reimbursable expenses	-	3,859
Other	-	3
Total other operating expenses	-	3,862

7 Remuneration of auditors

	Year ended	
	30 June 2022	30 June 2021
	\$	\$
<i>Audit and other assurance services</i>		
Audit of financial statements	14,838	14,266
Other services*	2,806	1,898
Total remuneration for audit and other assurance services inclusive of GST	17,644	16,164

* Other services include compliance plan audit.

Audit fees were paid by the Responsible Entity for the year ended 30 June 2022. Audit fees were partly paid by the Responsible Entity and partly included in reimbursable expenses for the year ended 30 June 2021.

8 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 2022	30 June 2021	30 June 2022	30 June 2021
	No.	No.	\$	\$
Opening balance	9,743,805	10,127,554	8,622,086	7,813,157
Profit/(loss) for the year	-	-	(1,549,429)	1,149,943
Applications	167,140	297,311	150,700	251,408
Redemptions	(951,858)	(694,238)	(749,699)	(578,050)
Units issued upon reinvestment of distributions	20,076	13,178	17,765	10,167
Distributions paid and payable	-	-	(74,717)	(24,539)
Closing balance	8,979,163	9,743,805	6,416,706	8,622,086

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.

(a) 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.

8 Net assets attributable to unitholders (continued)

(b) Realised capital losses

At the end of the reporting period, the Fund had realised capital losses of \$43,454,263 (2021: \$43,671,390) available to offset against future net capital gains.

Net realised capital losses are not finalised for taxation purposes, are unaudited and may change due to calculation adjustment, denial, offset or recoupment.

9 Distributions to unitholders

	Year ended			
	30 June 2022	30 June 2022	30 June 2021	30 June 2021
	\$	CPU	\$	CPU
Distribution payable				
- 30 June	74,717	0.832	24,539	0.252
Total	74,717	0.832	24,539	0.252

10 Cash and cash equivalents

	As at	
	30 June 2022	30 June 2021
	\$	\$
Cash at bank	-	25,819
Bank overdraft*	(90,781)	-
Total cash and cash equivalents	(90,781)	25,819

* As at 30 June 2022, the negative cash at bank represented an overdraft position that was due to the timing of financing activities.

11 Financial assets held at fair value through profit or loss

	As at	
	30 June 2022	30 June 2021
	Fair value \$	Fair value \$
Financial assets held at fair value through profit or loss		
Unlisted unit trusts - Units in international equity trusts	6,481,374	8,553,191
Total financial assets held at fair value through profit or loss	6,481,374	8,553,191

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 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 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 Westpac Financial Services Limited during the financial year or since the end of the year and up to the date of this report were as follows:

Vicki Allen
 Andrew Rutherford
 Jonathan Sweeney
 Katherine Vincent (resigned 4 October 2021)

(c) Other key management personnel

Name	Position	Employer
Jason Yetton	Chief Executive, Specialist Businesses	Westpac Banking Corporation
Matthew Rady ⁽¹⁾	Chief Executive Officer, BT Financial Group	Westpac Banking Corporation
Katherine Vincent ⁽²⁾	Chief Strategy & Product Officer, BT Financial Group	Westpac Banking Corporation
Melinda Howes ⁽³⁾	Managing Director, BT Superannuation, BT Financial Group	Westpac Banking Corporation
Andrew Wallace ⁽⁴⁾	Managing Director, Personal & Corporate Superannuation, BT Financial Group	Westpac Banking Corporation

⁽¹⁾ Matthew Rady was classified as key management personnel effective 5 October 2021 following his appointment as Chief Executive Officer of BT Financial Group.

⁽²⁾ Katherine Vincent was classified as key management personnel effective 4 October 2021 following her resignation from the Westpac Financial Services Limited board.

⁽³⁾ Melinda Howes was no longer classified as key management personnel effective 3 December 2021 following her resignation from BT Financial Group.

⁽⁴⁾ Andrew Wallace was classified as key management personnel effective 21 February 2022 following his appointment to the role of Managing Director, Personal & Corporate Superannuation.

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

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

For the year ended 30 June 2022, the Fund incurred a management fee of 1.08% (inclusive of GST, net of RITC available to the Fund) per annum. For the period 1 July 2020 to 30 November 2020, the Fund incurred a management fee of 1.54% (inclusive of GST, net of RITC available to the Fund) per annum. This fee was decreased to 1.08% per annum from 1 December 2020. Fees are paid in accordance with the Fund's governing documents.

This fee is partially paid out of the Fund and partially out of the assets of the underlying fund into which the Fund invests. The latter is reflected in the daily unit prices for the underlying fund.

12 Related party transactions (continued)

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

In addition, the Responsible Entity is entitled to be reimbursed out of the Fund for costs or expenses in connection with the keeping and preparation of accounting records and the maintenance of the register. Effective 1 September 2020, these expense recoveries were reduced to Nil% per annum.

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:

	30 June 2022	30 June 2021
	\$	\$
Management fees incurred by the Fund #	6,150	22,132
Administration expenses incurred by the Responsible Entity which are reimbursed in accordance with the Fund's governing documents #	-	3,859
Aggregate amounts payable/(receivable) to/(from) the Responsible Entity at the end of the reporting period	409	544

This represents the amount paid out of the Fund to the Responsible Entity. In addition to this amount, the total fees charged also include the fee charged in the underlying fund.

Where the Fund invests into another fund, the Responsible Entity's fees are calculated after rebating the fee charged in the underlying fund. As a consequence, the amounts shown in the statement of comprehensive income reflect only the amount of the fees charged directly to the Fund.

(e) Related party unitholdings

Parties related to the Fund (including the Responsible Entity, its related parties and other funds managed by the Responsible Entity) hold no units in the Fund (2021: Nil).

(f) Transactions with key management personnel

Key management personnel services are provided by Westpac Financial Services Limited and included in the management fees disclosed in (d) 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 2022, no key management personnel held units in the Fund (2021: Nil).

(g) Investments

The Fund held the following investments including funds which are also managed by the Responsible Entity or its related parties:

30 June 2022

	Fair value of investment	Interest held	Distributions received/ receivable	Units acquired during the year	Units disposed during the year
	\$	%	\$	Units	Units
Pendal Japanese Share Fund	6,481,374	61.47	80,858	188,033	(715,106)

12 Related party transactions (continued)

(g) Investments (continued)

30 June 2021

	Fair value of investment \$	Interest held %	Distributions received/ receivable \$	Units acquired during the year Units	Units disposed during the year Units
Pendal Japanese Share Fund	8,553,191	51.57	50,515	348,886	(652,636)

Distributions received/receivable includes the following amounts which remain unpaid at the end of each reporting period:

	As at	
	30 June 2022 \$	30 June 2021 \$
Distributions receivable		
Pendal Japanese Share Fund	80,858	50,515

(h) 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.

13 Investments in unconsolidated entities

The following entity is recorded at fair value within financial assets held at fair value through profit or loss.

Name of entity	Place of business	Fair value		Ownership interest held by the Fund	
		30 June 2022 \$	30 June 2021 \$	30 June 2022 %	30 June 2021 %
Pendal Japanese Share Fund	Australia	6,481,374	8,553,191	61.47	51.57

14 Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. Depending on the Fund's power over the activities of the entity and its exposure to and ability to influence its own returns, it may control the entity. However, the Fund applies the Investment Entity Exemption available under AASB 10 *Consolidated Financial Statements* and therefore does not consolidate its controlled entities (refer to note 13). In other cases it may have exposure to such an entity but not control it.

An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Fund. Such interests include holdings of units in unlisted trusts. The nature and extent of the Fund's interests in structured entities are summarised in note 11. Income earned and realised and unrealised gains/(losses) from structured entity investments are disclosed within the statement of comprehensive income.

The Fund has exposures to unconsolidated structured entities through its investment activities. The Fund's maximum exposure to loss is restricted to the carrying value of the asset.

The Fund's overall risk management program focuses on ensuring compliance with its governing documents and seeks to maximise the returns derived for the level of risk to which the Fund is exposed. The risks associated with the investments are referred to in note 4.

During the year the Fund did not provide financial support to unconsolidated structured entities and has no intention of providing financial or other support.

The Fund's investment strategy entails investments in other funds on a regular basis. The Fund intends to continue investing in other funds.

As at 30 June 2022, there were no capital commitment obligations other than what is in unsettled sales or unsettled purchases in the balance sheet (2021: \$Nil).

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

	Year ended	
	30 June 2022	30 June 2021
	\$	\$
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities		
Operating profit/(loss) for the year	(1,549,429)	1,149,943
Proceeds from sale of financial instruments held at fair value through profit or loss	531,093	581,043
Purchase of financial instruments held at fair value through profit or loss	(135,250)	(233,877)
Net (gains)/losses on financial instruments held at fair value through profit or loss	1,624,144	(1,125,405)
Income reinvested	(50,515)	(82,517)
Net change in accrued income and receivables	(30,333)	32,382
Net change in payables	(135)	(4,844)
Net cash inflow/(outflow) from operating activities	389,575	316,725

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

	Year ended	
	30 June 2022	30 June 2021
	\$	\$
(b) Non-cash transactions		
Distribution payments satisfied by the issue of units under the distribution reinvestment plan	17,765	10,167

16 Events occurring after the reporting period

On 14 June 2022, the Responsible Entity approved the termination of the Fund, with the termination to commence on or around 14 July 2022. The final redemption proceeds were paid effective 18 August 2022.

There were no other significant events which 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 2022 or on the results and cash flows of the Fund for the year ended on that date.

17 Contingent assets and liabilities and commitments

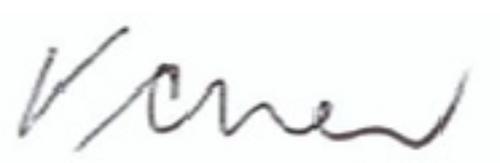
There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 or 30 June 2021.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 6 to 24 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 2022 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.



Vicki Allen
Director



Jonathan Sweeney
Director

Sydney
19 September 2022



Independent auditor's report

To the unitholders of BT Japanese Share Fund

Our opinion

In our opinion:

The accompanying financial report of BT Japanese 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 2022 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 2022
 - 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, which include 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 14 June 2022 the Responsible Entity approved the termination of the Fund, with the termination to commence on or around 14 July 2022. 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.

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Liability limited by a scheme approved under Professional Standards Legislation.



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 2022, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information 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.

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 determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors 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.

PricewaterhouseCoopers

Alexandra Richardson
Partner

Sydney
19 September 2022

For more information

BT Customer Relations – 132 135 (8.30am to 5.30pm – Syd time – Mon to Fri)

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275 Kent Street, Sydney NSW 2001

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Disclaimer

BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL No. 233720 and Westpac Financial Services Limited ABN 20 000 241 127, AFSL No. 233716 are the responsible entities and issuer of units in the BT Investment Funds. Westpac Financial Services Limited ABN 20 000 241 127, AFSL No. 233716 is the responsible entity and issuer of units in the BT Premium Cash Fund. BT Funds Management No. 2 Limited ABN 22 000 727 659, AFSL No. 233720 and Westpac Financial Services Limited ABN 20 000 241 127, AFSL No. 233716 are the responsible entities and issuer of units in the BT Classic Investment Funds. Westpac Financial Services Limited ABN 20 000 241 127, AFSL No. 233716 is the responsible entity and issuer of units in the BT Investor Choice Funds.

A Product Disclosure Statement (PDS) is available for BT Investment Funds, BT Classic Investment Funds, BT Investor Choice Funds and BT Premium Cash Fund and can be obtained by calling 132 135, or visiting bt.com.au. The responsible entity of each investment option is set out in the relevant PDS or disclosure document. You should obtain and consider the PDS or relevant disclosure document before deciding whether to acquire, continue to hold or dispose of interests in the investment options. This information has been prepared without taking account of your objectives, financial situation or needs. Because of this you should, before acting on this information, consider its appropriateness, having regard to your objectives, financial situation and needs. A Financial Services Guide can be obtained by calling 132 135, or visiting bt.com.au.

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The tax position described is a general statement and is for guidance only. It has not been prepared by a registered tax agent. It does not constitute tax advice and is based on current tax laws and our interpretation. Your individual situation may differ and you should seek independent professional tax advice. Past performance is not a reliable indicator of future performance.

Information current as at 30 September 2022