



Maple-Brown Abbott

Diversified Investment Trust

ARSN 091 137 638

Annual Financial Report
30 June 2021

Maple-Brown Abbott Diversified Investment Trust

Annual Financial Report

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Directors' Report

The directors of Maple-Brown Abbott Limited, the Responsible Entity of the Maple-Brown Abbott Diversified Investment Trust (the "Fund"), present their report together with the financial report of the Fund, for the year ended 30 June 2021 and the auditor's report thereon.

Responsible Entity

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

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

Name	Period of directorship
R A Grundy	Appointed 01/07/2008 (retired 9 October 2020)
G R Bazzan	Appointed 01/07/2008
T T Robinson	Appointed 07/03/2013
R A R Lee	Appointed 22/10/2015
J A Elliott	Appointed 04/01/2017
S N Roberts	Appointed 04/04/2019
S S Rahmani	Appointed 14/10/2019

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

Principal activities

The Fund is a multi-sector Fund that invests in growth assets comprising Australian and international equities and REITs, and defensive assets comprising Australian fixed interest, alternative assets and cash, in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the year.

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

Results of operations

The Responsible Entity's objective for the Fund is to outperform the Morningstar Australia Fund Multisector Growth category average (Benchmark) over a rolling four year period.

The Fund achieved a rolling four year annualised return of 6.2% p.a. after fees (2020: 4.2% p.a.) versus the Benchmark return of 7.8% p.a. (2020: 5.3% p.a.).

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

	2021 %	2020 %
Total return*	20.2	(6.3)
Benchmark	19.9	(2.7)

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

Unit prices and distributions

	2021	2020
	\$	\$
Unit prices		
Net asset value price per unit (ex-distribution as at 30 June)	2.1743	1.9274
Distribution		
Distributions per unit for the year ended 30 June (excluding tax credits) (note 8)	0.1395	0.0654

State of affairs

The spread of the novel coronavirus (COVID-19) was declared a global pandemic on 11 March 2020 by the World Health Organisation. The rapid spread of the virus has seen an unprecedented response by governments and regulators. The COVID-19 pandemic is having an impact on both local and global economies and financial markets.

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

Likely developments

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

Events subsequent to balance date

Whilst the COVID-19 pandemic continues to create uncertainty in global markets, there has been no significant impact on the Fund since the end of the reporting period. As the investments are measured at their 30 June 2021 fair values in the financial report, any change in values subsequent to the end of the reporting period is not reflected in the Statement of Comprehensive Income or the Statement of Financial Position. However, the change in the value of investments is reflected in the current unit price. The current unit price is available at Maple-brownabbott.com.au/diversified-investment-trust.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2021 or on the results and cash flows of the Fund for the year ended on that date.

Interests of the Responsible Entity

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

	2021	2020
	\$	\$
Responsible Entity fees	2,200,662	2,403,938

Please refer to note 9(b) to the financial statements for details of Fund units held by the Responsible Entity and its associates.

Indemnities and insurance premiums for the Responsible Entity and auditors

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

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

Environmental Legislation

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

Rounding of amounts to the nearest thousand dollars

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

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

The lead auditor's independence declaration is set out on page 4 and forms part of the Directors' report for the year ended 30 June 2021.

Dated at Sydney this 6 day of September 2021.

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



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



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

To the Directors of Maple-Brown Abbott Limited as the Responsible Entity of
Maple-Brown Abbott Diversified Investment Trust

I declare that, to the best of my knowledge and belief, in relation to the audit of Maple-Brown Abbott Diversified Investment Trust for the financial year ended 30 June 2021 there have been:

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

KPMG

Rachel Milum
Partner

Sydney
6 September 2021

Statement of Financial Position

	Note	2021 \$'000	2020 \$'000
Assets			
Cash and cash equivalents	10(a)	29,529	38,502
Financial assets at fair value through profit or loss	11(a)	255,352	237,235
Applications receivable		12	2,632
Interest receivable		210	33
Dividends and distributions receivable		5,179	1,034
Balances due from brokers		352	99
Reduced input tax credit receivable		41	40
Total assets		<u>290,675</u>	<u>279,575</u>
Liabilities			
Redemptions payable		225	166
Balances due to brokers		-	4,141
Distribution payable	8	13,921	4,622
Sundry creditors and accruals		200	194
Total liabilities		<u>14,346</u>	<u>9,123</u>
Net assets attributable to unitholders - equity	4	<u>276,329</u>	<u>270,452</u>

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

Statement of Comprehensive Income

	Note	2021 \$'000	2020 \$'000
Revenue			
Dividends and distributions		10,406	6,424
Interest	5	1,167	1,995
Other income		15	2
Net change in the fair value of financial instruments at fair value through profit or loss		<u>40,877</u>	<u>(23,844)</u>
		<u>52,465</u>	<u>(15,423)</u>
Expenses			
Responsible Entity fee	9(b)	2,201	2,404
Transaction costs		88	124
Other expenses	6	<u>32</u>	<u>32</u>
		<u>2,321</u>	<u>2,560</u>
Profit/(loss) from operating activities		<u>50,144</u>	<u>(17,983)</u>
Total comprehensive income		<u><u>50,144</u></u>	<u><u>(17,983)</u></u>

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

Statement of Changes in Equity

	Note	2021 \$'000	2020 \$'000
Total equity opening balance		270,452	313,260
Comprehensive income			
Profit / (loss) from operating activities		<u>50,144</u>	<u>(17,983)</u>
Total comprehensive income		<u>50,144</u>	<u>(17,983)</u>
Transactions with unitholders			
Applications		18,293	35,070
Redemptions		(44,750)	(50,655)
Distributions paid and payable to unitholders	8	<u>(17,810)</u>	<u>(9,240)</u>
Total transactions with unitholders		<u>(44,267)</u>	<u>(24,825)</u>
Total equity closing balance		<u><u>276,329</u></u>	<u><u>270,452</u></u>

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

Statement of Cash Flows

	Note	2021 \$'000	2020 \$'000
Operating activities			
Proceeds from sale of investments		62,930	79,150
Purchase of investments		(42,095)	(71,195)
Interest received		990	2,159
Dividends and distributions received		3,810	5,190
Other income received		15	2
Transaction costs paid		(88)	(124)
Responsible Entity fees paid		(2,194)	(2,237)
Other expenses paid		<u>(52)</u>	<u>(73)</u>
Net cash flows from operating activities	10(b)	<u>23,316</u>	<u>12,872</u>
Financing activities			
Proceeds from issue of units		16,764	31,538
Payments on redemption of units		(44,691)	(59,661)
Distributions paid		<u>(4,362)</u>	<u>(11,985)</u>
Net cash flows used in financing activities	10(d)	<u>(32,289)</u>	<u>(40,108)</u>
Change in cash and cash equivalents		(8,973)	(27,236)
Cash and cash equivalents at the beginning of the year		<u>38,502</u>	<u>65,738</u>
Cash and cash equivalents at 30 June	10(a)	<u>29,529</u>	<u>38,502</u>

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

1 Summary of significant accounting policies

The Maple-Brown Abbott Diversified Investment Trust (the "Fund") is a fund domiciled in Australia and is a for profit entity. The Fund was constituted on 29 April 1988 and will terminate 80 years (less one day) from the date of commencement or at such earlier time as provided by the Fund's Constitution or by the law.

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

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

The Annual Financial Report was authorised for issue by the directors on 6 September 2021. The directors of the Responsible Entity have the power to amend and reissue the financial report.

(a) Statement of compliance

The annual financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia.

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

The financial report is prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

(b) Basis of preparation

Functional and presentation currency

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

Use of estimates

The Responsible Entity makes estimates and assumptions that affect the reported amounts in the financial statements. These estimates and associated assumptions are reviewed regularly and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The use of estimates and critical judgements in fair value measurement is described in note 11(a).

New accounting standards and interpretations

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial year beginning 1 July 2020 that have an impact on the Fund.

Comparative Information

Comparative information for Proceeds from sale and Payments for purchase of Financial Assets is reclassified from Investing activity to Operating activities and Distributions paid is reclassified from Operating activities to Financing activities in the Statement of Cash Flows to conform with the current year's presentation. There were no changes to the balances as the result of this reclassification.

1 Summary of significant accounting policies (continued)

(c) Financial instruments

Classification

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

Measurement

Financial assets

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

Financial assets' fair values are determined as follows:

(i) Fixed interest securities

Fixed interest securities are valued at last sale price plus any interest accrued at reporting date.

(ii) Equities held via unlisted unit trusts

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

(iii) Australian-listed equities, Australian-listed property trusts (REITs)

These securities are valued at their quoted last sale price on the Australian Securities Exchange as of the close of business on the day the securities are being valued.

(iv) Cash and cash equivalents

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

(v) Receivables

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

The amount of the impairment loss is recognised in profit or loss within other operating expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other operating expenses in profit or loss.

Financial liabilities

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

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

1 Summary of significant accounting policies (continued)

(c) Financial instruments (continued)

The issue of redeemable units in the Fund are classified as equity because the units issued by the Fund satisfies all criteria for the classification of puttable financial instruments as equity under AASB 132 *Financial Instruments: Presentation*.

Derivatives

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

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

Offsetting financial instruments

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

(d) Revenue and expenses

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

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

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

Other income is recognised in the Statement of Comprehensive Income on an accruals basis.

Transaction costs incurred in the acquisition and disposal of assets are expensed in the Statement of Comprehensive Income on an accruals basis. Expenses, including Responsible Entity fees, are recognised in the Statement of Comprehensive Income on an accruals basis.

(e) Distributions

In accordance with the Fund's Constitution, the Responsible Entity may elect whether to make a distribution. Once elected by the Responsible Entity, distributions paid and payable are recognised and disclosed as transactions with unitholders in the Statement of Changes in Equity.

(f) Change in net assets attributable to unitholders

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

1 Summary of significant accounting policies (continued)

(g) Taxation

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

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

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

(h) Net assets attributable to unitholders

The net assets attributable to unitholders are classified as equity because the units issued by the Fund satisfy all the criteria for "puttable financial instruments" to be classified as equity under AASB 132 *Financial Instruments: Presentation*.

Units issued by the Fund provide unitholders with the right to redeem their units on request. The fair value of redeemable units is measured at the net asset value price.

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

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

(j) Goods and services tax (GST)

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

2 Investment in unconsolidated subsidiaries

The Fund has applied the AASB 10 investment entity exemption and accordingly has valued these financial assets at fair value through profit or loss.

	Country of incorporation	Ownership interest	Ownership interest
		2021	2020
		%	%
Subsidiaries			
Units in the Maple-Brown Abbott International Equity Trust	Australia	76.7	60.4

The Fund does not have current commitments or intentions and contractual obligations to provide financial or other support to its unconsolidated subsidiaries. There are no loans or advances currently made to the unconsolidated subsidiaries.

There are no significant restrictions on the ability of an unconsolidated subsidiary to transfer funds to the Fund in the form of cash distributions.

3 Interests in unconsolidated structured entities

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

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

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

	Asset class	Statement of Financial Position reference	Fair value \$'000
2021	Overseas equities	Overseas equities held via unlisted unit trust	66,849
	Alternative assets	Alternative assets held via unlisted unit trust	22,764
	Australian equities	Australian-listed equities held via unlisted unit trust	4,118
			<u>93,731</u>
2020	Overseas equities	Overseas-listed equities held via unlisted unit trust	65,994
	Alternative assets	Alternative assets held via unlisted unit trust	17,285
	Australian equities	Australian-listed equities held via unlisted unit trust	3,899
			<u>87,178</u>

3 Interests in unconsolidated structured entities (continued)

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

4 Net assets attributable to unitholders

	2021		2020	
	\$'000	Units '000	\$'000	Units '000
Opening balance	270,452	140,317	313,260	147,347
Profit/(loss) from operating activities	50,144	-	(17,983)	-
Transactions with unitholders:				
Applications	18,293	8,472	35,070	17,082
Redemptions	(44,750)	(21,699)	(50,655)	(24,112)
Distributions paid and payable to unitholders	(17,810)	-	(9,240)	-
Total transactions with unitholders	<u>(44,267)</u>	<u>(13,227)</u>	<u>(24,825)</u>	<u>(7,030)</u>
Closing balance	<u>276,329</u>	<u>127,090</u>	<u>270,452</u>	<u>140,317</u>

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

5 Interest income

	2021 \$'000	2020 \$'000
Cash and cash equivalents	-	1,177
Fixed interest securities	<u>1,167</u>	<u>818</u>
Total interest income	<u>1,167</u>	<u>1,995</u>

6 Other expenses

	2021 \$'000	2020 \$'000
Audit expenses*	<u>32</u>	<u>32</u>
Total other expenses	<u>32</u>	<u>32</u>

*Represents the fees accrued or paid during the year.

7 Auditor's remuneration

	2021	2020
	\$	\$
Audit services - KPMG:*		
Audit and review of the Annual Financial Report	27,830	27,830
Audit of the Compliance Plan	4,345	4,345
Total	32,175	32,175

*Represents the agreed fees for the audit of the Annual Financial Report and Compliance plan.

8 Distributions paid and payable

	2021		2020	
	\$'000	\$ per unit	\$'000	\$ per unit
30 September	1,348	0.0100	1,487	0.0100
31 December	1,291	0.0100	2,102	0.0150
31 March	1,250	0.0100	1,029	0.0075
30 June (payable)	13,921	0.1095	4,622	0.0329
Total	17,810	0.1395	9,240	0.0654

(a) Unrealised capital gains/(losses)

	2021	2020
	\$'000	\$'000
Balances at 30 June		
Net unrealised capital gains/(losses) for tax	79,668	43,479

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

9 Related parties

(a) Responsible Entity and Key Management Personnel

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

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

(b) Responsible Entity

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

9 Related parties (continued)

(b) Responsible Entity (continued)

Name	Period of directorship
R A Grundy	Appointed 01/07/2008 (retired 9 October 2020)
G R Bazzan	Appointed 01/07/2008
T T Robinson	Appointed 07/03/2013
R A R Lee	Appointed 22/10/2015
J A Elliott	Appointed 04/01/2017
S N Roberts	Appointed 04/04/2019
S S Rahmani	Appointed 14/10/2019

Loans to key management personnel of Maple-Brown Abbott Limited

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

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

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

Remuneration

The Responsible Entity's fees are calculated in accordance with the Fund's Constitution (as amended). The Responsible Entity's fee is 0.89% (refer note 1(j)) per annum, accrued daily and paid monthly based on the net asset value of the Fund. The total fee of \$2,200,662 (2020: \$2,403,938) is disclosed as an item of expense in the Statement of Comprehensive Income and the fee paid during the year is disclosed separately in the Statement of Cash Flows.

Balances payable

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

	2021	2020
	\$	\$
Responsible Entity fees payable	197,863	189,527

These amounts are included in sundry creditors and accruals in the Statement of Financial Position.

Related Party Transactions

Investing activities (in other Maple-Brown Abbott funds)

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

9 Related parties (continued)

(b) Responsible Entity (continued)

Details of the Fund's investment in the other funds managed by the Responsible Entity are set out below:

	Number of units held at 30 June	Fair value	Interest held	Units purchased during the year	Units sold during the year	Distributions received/ receivable during the year
2021		\$	%			\$
MBA Australian Value Opportunities Fund*	5,433,251	4,117,318	30.0	190,581	693,804	183,885
MBA International Equity Trust	51,198,663	66,717,026	76.7	1,648,758	10,413,114	5,716,674
MBA Global Listed Infrastructure	12,391,009	22,764,762	1.9	2,360,938	-	358,324
2020						
MBA Australian Value Opportunities Fund*	5,936,474	3,899,110	10.7	1,010,549	1,032,624	148,473
MBA International Equity Trust	59,963,019	65,993,818	60.4	13,304,967	8,230,953	1,048,175
MBA Global Listed Infrastructure Fund	10,030,071	17,284,701	1.9	1,376,162	2,310,289	320,678

* Formerly known as Maple-Brown Abbott Small Companies Trust

The transactions with those entities are carried out on the same terms and conditions as for other unitholders in those funds.

9 Related parties (continued)

(b) Responsible Entity (continued)

Transactions with other parties

At 30 June details of the transactions during the year by each specified director and their personally related entities are as follows:

	Unitholder	Number of units held at 30 June	Fair Value	Units purchased during the year	Units sold during the year	Distributions received/ receivable during the year
2021			\$			\$
	T T Robinson	517,679	1,125,586	8,700	-	72,234
	R A R Lee	1,365,265	2,968,496	960,372	-	161,960
	J A Elliott	26,374	57,344	816	-	3,673
2020						
	T T Robinson	508,979	981,005	33,698	-	33,129
	R A R Lee	404,893	780,391	26,806	-	26,354
	J A Elliott	25,558	49,261	1,692	-	1,664

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

10 Notes to the Statement of Cash Flows

(a) Components of cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at bank	6,529	5,504
Bank bills of exchange	13,000	17,998
Term deposits	10,000	15,000
Cash at the end of financial year	<u>29,529</u>	<u>38,502</u>

10 Notes to the Statement of Cash Flows (continued)

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

	2021	2020
	\$'000	\$'000
Profit/(loss) for the reporting period attributable to unit holders	50,144	(17,983)
Proceeds from sale of financial instruments held at fair value through profit or loss	62,644	79,150
Purchase of financial instruments held at fair value through profit or loss	(42,095)	(71,195)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(40,877)	23,844
Net change in receivables and other assets	(4,019)	5,267
Net change in payables and other liabilities	(13)	(59)
Responsible Entity fee rebates reinvested	-	157
Reinvested income	(2,468)	(6,309)
Total Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	23,316	12,872

(c) Non-cash operating and financing activities

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

Operating activities

Dividend and distribution income reinvestment

During the year the Fund received dividends and distributions in the form of shares or units via a dividend or distribution reinvestment plan (DRP). The dividend and distribution income reinvestments are not included in the Statement of Cash Flows relating to the purchase of investments. The value of the shares or units received is based on the market value as determined by the DRP rules and is detailed below:

	2021	2020
	\$'000	\$'000
Dividends and distributions received in the form of shares or units	2,468	6,309

Operating activities

Unitholder distributions and rebates reinvested and in-specie transfer of assets

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

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

10 Notes to the Statement of Cash Flows (continued)

(c) Non-cash operating and financing activities (continued)

	2021		2020	
	\$'000	Units '000	\$'000	Units '000
Units issued or redeemed:				
Unitholder distribution and rebate reinvested	4,149	2,086	9,770	4,627
In-specie transfer of assets	-	-	9,405	4,674

Investing activities

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

The above in-specie transfers are not included in the Statement of Cash Flows relating to the proceeds from sale of investments or purchase of investments.

(d) Reconciliation of liabilities from financing activities

The net change in financing activities during the year is (\$32,289,405) which was from application, redemption and distribution paid transactions made by unitholders (2020: (\$40,108,434)).

11 Financial instruments

Risks and capital management objectives

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

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

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

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

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

11 Financial instruments (continued)

(a) Market risk

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

Price risk

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

Investment policies

The Fund's model asset allocation (the current target) is reviewed at regular asset allocation meetings having regard to the neutral, maximum and minimum asset allocations set out below:

	Neutral %	Maximum %	Minimum %
Australian equities	40	65	25
Overseas equities	23	30	10
REITs	5	15	0
Fixed interest	20	50	10
Alternative assets	5	10	0
Liquidity	7	25	0
Total	<u>100</u>		

There is also a neutral, maximum and minimum range applied for total growth assets (Australian equities, overseas equities and REITs) and defensive assets as follows:

	Neutral %	Maximum %	Minimum %
Growth assets	68	90	50
Defensive assets	32	50	10
Total	<u>100</u>		

At the asset allocation meetings relevant macro-economic information is reviewed. To assess the relative value of each asset class we utilise in-house models to generate our total rate of return forecasts. When assessing the relative merits of the asset classes a four year outlook is undertaken.

The Responsible Entity adheres closely to the model weightings (subject to tolerances) determined at the asset allocation meetings, particularly in relation to equities where it tries not to deviate by more than 1% from the model. Hence the model acts as a buy-sell discipline. For example, if the Australian stock market rises, and there are no other changes to the other asset classes, the Australian equity weighting correspondingly rises and it then becomes necessary to sell Australian stocks to bring the asset classes into line with the model.

11 Financial instruments (continued)

(a) Market risk (continued)

Investment restrictions

In addition to the Fund's asset allocation ranges, the main guidelines in relation to portfolio composition is as follows:

- Exposure to a single entity should not be greater than 5% above its weighting in the Responsible Entity's customised Australian equities ex-A-REITs index. Exposure to other Australian equity funds managed by the Responsible Entity should not be greater than 5% of the Fund's Australian equity portfolio.
- The total market value held in any one REIT should not exceed by more than 10% the weighting of that REIT in the S&P/ASX 300 A-REIT Index (Total Returns).

Market exposures

As at 30 June the market exposures were as follows:

	2021	2020
	\$'000	\$'000
Financial assets at fair value through profit or loss:		
Alternative assets held via unlisted unit trust	22,764	17,285
Australian-listed equities	115,981	94,224
Overseas equities held via unlisted unit trust	66,849	65,994
Australian-listed equities held via unlisted unit trust	4,118	3,899
Australian listed REITs	7,939	15,927
Fixed interest securities	37,701	39,906
Total	255,352	237,235

Carrying amounts versus fair values

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

Sensitivity analysis

The table below details the approximate change in net assets attributable to unitholders if there is a percentage change in the above asset classes' prices (as outlined in the investment restrictions above) assuming all other variables are constant:

	2021		2020*	
	% change	\$'000	% change	\$'000
Increase in price	10	25,835	10	23,723
Decrease in price	10	(25,835)	10	(23,723)

* Comparative information has been re-presented due to a change in calculation methodology that provides a more reliable and relevant estimation of the change in net assets (The prior year number as presented in the financial report was \$20,722).

11 Financial instruments (continued)

(a) Market risk (continued)

Fair value measurement recognised in the Statement of Financial Position

The fair value measurement disclosures use a three-tier value hierarchy that reflects the significance of the inputs used in measuring fair values. The fair value hierarchy is comprised of the following levels:

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

The financial instruments carried at fair value split by valuation method is summarised below:

2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss:				
Fixed interest securities	-	37,701	-	37,701
Overseas equities held via unlisted unit trust	-	66,849	-	66,849
Alternative assets held via unlisted unit trust	-	22,764	-	22,764
Australian-listed equities	115,981	-	-	115,981
Australian-listed equities held via unlisted unit trust	-	4,118	-	4,118
Australian-listed REITs	7,939	-	-	7,939
Total	123,920	131,432	-	255,352

2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets at fair value through profit or loss:				
Fixed interest securities	-	39,906	-	39,906
Overseas equities held via unlisted unit trust	-	65,993	-	65,993
Alternative assets held via unlisted unit trust	-	17,285	-	17,285
Australian-listed equities	94,225	-	-	94,225
Australian-listed equities held via unlisted unit trust	-	3,899	-	3,899
Australian listed REITs	15,927	-	-	15,927
Total	110,152	127,083	-	237,235

11 Financial instruments (continued)

(a) Market risk (continued)

Transfers between levels

The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There have been no transfers between levels in the fair value hierarchy at the end of 30 June 2021 and 30 June 2020.

Fair value measurement

Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and equity securities) is based on last sale prices at the end of the reporting period without any deduction for estimated future selling costs. For the majority of financial assets and liabilities, information provided by the quoted market independent pricing services is relied upon for valuation.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. An active market is a market in which transactions for the financial asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

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

The investments in unlisted trusts included as level 2 in the above table relate to investments in other funds managed by the Responsible Entity. Further details of these investments are disclosed in note 9(b). These investments are valued at their quoted net asset value price at balance date in accordance with note 1(c).

As per note 1(c), the Fund's investments in government, semi-government and corporate fixed interest securities are priced on appropriate yield curves taking into account factors such as credit rating, security types, and term to maturity.

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

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

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions held. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Fair value measurements using significant unobservable inputs (level 3)

The Fund did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2021 or the year ended 30 June 2020.

11 Financial instruments (continued)

(a) Market risk (continued)

Financial instruments not measured at fair value

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

Interest rate risk

The Fund's exposure to interest rate risk largely relates to cash and cash equivalents and fixed interest securities. Interest rate risk is caused by fluctuations in the prevailing levels of market interest rates which directly impacts on the investment values or returns.

Investment policies

For Australian fixed interest securities, the Responsible Entity conducts fundamental analysis of economic criteria including economic growth and inflation, in order to estimate the fair value of short and long term security yields. Relative valuations, in addition to absolute valuations, are monitored and considered for the purpose of portfolio construction.

Investment restrictions

Fixed interest securities are usually Government or semi-Government securities, or highly rated corporate bonds, but the Fund may from time to time buy other paper, including listed floating rate notes and redeemable preference shares.

Market exposures

At 30 June the Fund's exposure to interest rate risk for classes of financial assets is set out below:

	Floating interest rate \$'000	Fixed interest rate \$'000	Total \$'000
2021			
Cash at bank	6,529	-	6,529
Term deposits	-	10,000	10,000
Bank bills of exchange	-	13,000	13,000
Fixed interest securities	-	37,701	37,701
Total	6,529	60,701	67,230
	Floating interest rate \$'000	Fixed interest rate \$'000	Total \$'000
2020			
Cash at bank	5,504	-	5,504
Term deposits	-	15,000	15,000
Bank bills of exchange	-	17,998	17,998
Fixed interest securities	-	39,906	39,906
Total	5,504	72,904	78,408

11 Financial instruments (continued)

(a) Market risk (continued)

Interest rate sensitivity (fixed interest securities)

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

	2021		2020	
	Basis point change	\$'000	Basis point change	\$'000
Increase in interest rates	100	(1,653)	100	(1,246)
Decrease in interest rates	100	1,703	100	1,258

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates for financial instruments denominated in currencies other than the functional currency (AUD) of the Fund.

Investment policies

Predicting currency fluctuations is difficult but an attempt to manage currency risk is done by taking currency forecasts into account when making investments. Overseas investment exposure is achieved through the Maple-Brown Abbott Global Listed Infrastructure Fund (GLIF) and the Maple-Brown Abbott International Equity Trust (IET), which in turn invests part of its assets in the Maple-Brown Abbott Asian Investment Trust (AIT). The investment manager may from time to time hedge the Fund's foreign exchange exposure which may be undertaken in any of the GLIF, IET or AIT. Currency fluctuations are included in the net asset value price of the unlisted unit trusts and are considered part of the price risk sensitivity analysis.

Investment restrictions

At the asset allocation level the Responsible Entity adheres closely to the model weightings, subject to tolerances, determined at the asset allocation meetings, hence the model acts as a buy-sell discipline for the asset classes impacted by currency exposure.

(b) Liquidity risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund is exposed to daily cash redemptions of redeemable units. The majority of the Fund's investments in equity securities are considered to be readily realisable. The Fund primarily holds investments in an active market which can be readily disposed.

In order to manage the Fund's overall liquidity, the Fund's Constitution permits the Responsible Entity to suspend withdrawals if it's considered to be in the best interests of unitholders. Due to ongoing uncertainty as the result of pandemic, the Responsible Entity continued to actively monitor the liquidity of the Fund through monitoring investor redemption and application levels and any impact on the financial assets and liabilities.

11 Financial instruments (continued)

(b) Liquidity risk (continued)

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

	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	More than 1 year \$'000	Total* \$'000
2021					
Redemptions payable	225	-	-	-	225
Distributions payable	13,921	-	-	-	13,921
Sundry creditors and accruals	200	-	-	-	200
Total	<u>14,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,346</u>
	Less than 1 month \$'000	1-3 months \$'000	3-12 months \$'000	More than 1 year \$'000	Total* \$'000
2020					
Redemptions payable	166	-	-	-	166
Distribution payable	4,622	-	-	-	4,622
Balance due to brokers	4,141	-	-	-	4,141
Sundry creditors and accruals	194	-	-	-	194
Total	<u>9,123</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,123</u>

* The carrying amounts equal the contractual cashflow amounts

(c) Credit risk

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

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

The Fund manages concentrations of credit risk by transacting through a number of brokers all of whom operate on recognised and reputable exchanges. All bank bill securities held by the Fund are endorsed or accepted by major Australian trading banks. The credit risk exposure to any one counterparty is low.

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

11 Financial instruments (continued)

(c) Credit risk (continued)

At 30 June the Standard and Poor's credit rating is set out below:

	Short-term credit rating			Long-term credit rating			Total	
	A1+ \$'000	AAA \$'000	AA \$'000	AA+ \$'000	AA- \$'000	A- \$'000		BBB \$'000
2021								
Cash at bank	6,529	-	-	-	-	-	-	6,529
Term deposits	10,000	-	-	-	-	-	-	10,000
Bank bills of exchange	13,000	-	-	-	-	-	-	13,000
Fixed interest (Aust.)								
Government	-	17,002	-	2,809	-	-	-	19,811
Semi-Government	-	-	3,104	2,435	-	-	-	5,539
Corporate	-	-	-	-	5,266	-	-	5,266
Indexed bonds	-	7,085	-	-	-	-	-	7,085
Total	29,529	24,087	3,104	5,244	5,266	-	-	67,230
2020								
Cash at bank	5,504	-	-	-	-	-	-	5,504
Term deposits	15,000	-	-	-	-	-	-	15,000
Bank bills of exchange	17,998	-	-	-	-	-	-	17,998
Fixed interest (Aust.)								
Government	-	26,813	-	-	-	-	-	26,813
Semi-Government	-	5,727	-	1,526	-	-	-	7,253
Corporate	-	-	-	-	5,322	518	-	5,840
Indexed bonds	-	-	-	-	-	-	-	-
Total	38,502	32,540	-	1,526	5,322	518	-	78,408

(d) Operational risk

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

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

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

- appropriate segregation of duties, including the independent authorisation of transactions;
- cash and securities positions are completely and accurately recorded and reconciled to third party data;

11 Financial instruments (continued)

(d) Operational risk (continued)

- monitoring the performance of external service providers;
- documentation of controls and procedures;
- periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- reporting of operational losses and proposed remedial action, with appropriate follow-up;
- assessment and mitigation of cyber risks and development of contingency business continuity, including disaster recovery plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.

12 Events subsequent to balance date

Whilst the COVID 19 pandemic continues to create uncertainty in global markets, there has been no significant impact on the Fund since the end of the reporting period. As the investments are measured at their 30 June 2021 fair values in the financial report, any change in values subsequent to the end of the reporting period is not reflected in the Statement of Comprehensive Income or the Statement of Financial Position. However the change in the value of investments is reflected in the current unit price. The current unit price is available at Maple-brownabbott.com.au/funds.

No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 30 June 2021 or on the results and cash flows of the Fund for the year ended on that date.

Directors' declaration

In the opinion of the directors of Maple-Brown Abbott Limited, the Responsible Entity of the Maple-Brown Abbott Diversified Investment Trust:

- 1 The financial statements and notes to and forming part of the financial statements are in accordance with the *Corporations Act 2001*, including:
 - (a) giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
- 2 The financial report also complies with International Financial Reporting Standards disclosed in note 1(a); and
- 3 There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Dated at Sydney this 6 day of September 2021.

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



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



Independent Auditor's Report

To the unitholders of Maple-Brown Abbott Diversified Investment Trust,

Opinion

We have audited the **Financial Report** of the Maple-Brown Abbott Diversified Investment Trust (the Fund).

In our opinion, the accompanying **Financial Report** of the Maple-Brown Abbott Diversified Investment Trust is in accordance with the *Corporations Act 2001*, including

- giving a true and fair view of the Fund's financial position as at 30 June 2021, and of its financial performance and its cash flows for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Statement of financial position as at 30 June 2021
- Statement of comprehensive income for the year then ended
- Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

Other Information

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

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



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Directors for the Financial Report

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

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

KPMG

Rachel Milum
Partner

Sydney
6 September 2021