



Maple-Brown Abbott

# Sharemarket Fund

ARSN 088 536 832

Financial Report for the reporting period  
1 July 2020 to 3 May 2021

# Maple-Brown Abbott Sharemarket Fund Financial Report

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## Directors' report

The directors of Maple-Brown Abbott Limited, the Responsible Entity of the Maple-Brown Abbott Sharemarket Fund (the "Fund"), present their report together with the financial report of the Fund, for the reporting period from 1 July 2020 to 3 May 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 the reporting period or since the end of the reporting period and up to the date of this report 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 invested in equities and unlisted unit trusts in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the period.

There were no significant changes in the nature of those activities during the reporting period other than the Fund ceasing operations.

## Results of operations

The Responsible Entity's objective for the Fund was to provide long-term capital growth from a diversified portfolio of Australian shares. The Fund aimed to provide unitholders with a total investment return (before fees and taxes) that outperforms the S&P/ASX 200 Index (Total Returns) over periods of four years or longer.

The Fund ceased operations on 3 May 2021. A final redemption totalling \$7,466,134 was paid on 3 May 2021. All remaining residual balances were settled by 3 May 2021.

The directors do not regard the Fund as a going concern due to its closure. As a consequence, the financial statements for the reporting period ended 3 May 2021 were not prepared on a going concern basis, whereas the financial statements for the reporting period ended 30 June 2020 were prepared on a going concern basis. The Fund's closure was finalised on 3 May 2021.

These financial statements are the final financial statements to be issued by the Responsible Entity.

## Results of operations (continued)

A summary of the Fund's performance after fees to 3 May is set out below:

	3 May 2021	30 June 2020
	%	%
<b>Total return*</b>		
– Ordinary class	25.9	(17.9)
– Nil entry fee class	24.0	(16.1)
– Wholesale class	27.0	(16.6)
– ARS class	23.5	(17.6)
– ARS nil entry class	23.3	(17.8)
<b>S&amp;P/ASX 200 Index (Total Returns)</b>	<b>22.2</b>	<b>(7.7)</b>

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

## State of affairs

The Fund closed during the reporting period.

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

## Events subsequent to balance date

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 3 May 2021 or on the results and cash flows of the Fund for the period ended on that date.

## Interests of the Responsible Entity

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

	3 May 2021	30 June 2020
	\$	\$
Responsible Entity fees	568,553	898,188

Please refer to note 6(b) to the financial statements for details of Fund units held by the Responsible Entity and its associates.

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## 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.

## 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 period ended 3 May 2021.

Dated at Sydney this 6 day of September 2021.

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



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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 Sharemarket Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Maple-Brown Abbott Sharemarket Fund for the financial period from 1 July 2020 to 3 May 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.

A handwritten signature of the KPMG firm, written in blue ink.

KPMG

A handwritten signature of Rachel Milum, written in blue ink.

Rachel Milum  
*Partner*

Sydney  
6 September 2021

**Statement of Financial Position**

	Note	3 May 2021 \$	30 June 2020 \$
<b>Assets</b>			
Cash and cash equivalents	7(a)	-	2,153,836
Financial assets at fair value through profit or loss	8(a)	-	59,801,652
Applications receivable		-	11,494
Interest, dividends and distributions receivable		-	133,157
Other receivables		-	8,870
<b>Total assets</b>		-	62,109,009
<b>Liabilities</b>			
Distribution payable	5	-	336,912
Sundry creditors and accruals		-	83,703
<b>Total liabilities</b>		-	420,615
<b>Net assets attributable to unitholders (liability)</b>	3	-	61,688,394

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

**Statement of Comprehensive Income**

	Note	3 May 2021 \$	30 June 2020 \$
<b>Revenue</b>			
Dividends and distributions		1,565,060	3,657,223
Interest		-	13,705
Net change in the fair value of financial instruments at fair value through profit or loss		<u>13,192,773</u>	<u>(18,728,296)</u>
		<u>14,757,833</u>	<u>(15,057,368)</u>
<b>Expenses</b>			
Responsible Entity fee	6(b)	568,553	898,188
Transaction costs		<u>96,944</u>	<u>76,655</u>
		<u>665,497</u>	<u>974,843</u>
<b>Profit/(loss) from operating activities</b>		<u>14,092,336</u>	<u>(16,032,211)</u>
<b>Finance costs</b>			
Distributions paid and payable to unitholders	5	730,508	3,686,461
Change in net assets attributable to unitholders		<u>13,361,828</u>	<u>(19,718,672)</u>
<b>Total comprehensive income</b>		<u><u>-</u></u>	<u><u>-</u></u>

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



### Statement of Changes in Equity

The Fund's net assets attributable to unitholders are classified as a liability under AASB 132 *Financial Instruments: Presentation*. As such, the Fund has no equity and no items of changes in equity have been presented for the current or comparative period.

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

**Statement of Cash Flows**

	Note	3 May 2021 \$	30 June 2020 \$
<b>Operating activities</b>			
Proceeds from sale of investments		81,131,237	26,887,869
Purchase of investments		(8,089,202)	(15,411,381)
Interest received		-	13,705
Dividends and distributions received		1,650,605	3,712,169
Transaction costs paid		(96,944)	(76,655)
Responsible Entity fees paid		(626,123)	(917,759)
<b>Net cash flows from operating activities</b>	7(b)	<u>73,969,573</u>	<u>14,207,948</u>
<b>Financing activities</b>			
Proceeds from issue of units		3,194,629	7,136,695
Payment for redemptions of units		(78,898,642)	(19,140,493)
Distributions paid		(419,396)	(3,058,763)
<b>Net cash flows used in financing activities</b>		<u>(76,123,409)</u>	<u>(15,062,561)</u>
Change in cash and cash equivalents		(2,153,836)	(854,613)
Cash and cash equivalents at the beginning of the year		<u>2,153,836</u>	<u>3,008,449</u>
<b>Cash and cash equivalents at 3 May</b>	7(a)	<u><u>-</u></u>	<u><u>2,153,836</u></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 Sharemarket Fund (the "Fund") is a fund domiciled in Australia and is a for profit entity. The Fund was constituted on 21 June 1999 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 financial report covers the Fund as an individual entity.

The 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 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 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 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 8(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 a material 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.

#### Going concern basis

The Fund ceased operations on 3 May 2021. A final redemption totalling \$7,466,134 was paid on 3 May 2021. All remaining residual balances were settled by 3 May 2021.

The directors do not regard the Fund as a going concern due to its closure. As a consequence, the financial statements for the reporting period ended 3 May 2021 are not prepared on a going concern

## 1 Summary of significant accounting policies (continued)

### (b) Basis of preparation (continued)

basis, whereas the financial statements for the reporting period ended 30 June 2020 were prepared on a going concern basis. The Fund's closure was finalised on 3 May 2021.

These financial statements are the final financial statements to be issued by the Responsible Entity.

### (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) Australian-listed equities*

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.

##### *(ii) Australian-listed equities held via unlisted unit trusts*

Listed equities held via 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) Cash and cash equivalents*

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

##### *(iv) Bank bills of exchange*

Bank bills of exchange are priced based on appropriate yield curves taking into account factors such as credit rating, security types, and term to maturity.

##### *(v) Receivables*

Receivables include balances due from brokers, dividend and distribution receivables as well as other receivables. 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.

## 1 Summary of significant accounting policies (continued)

### (c) Financial instruments (continued)

#### 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.

#### 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 and bank bills of exchange 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).

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) Finance costs

Distributions paid and payable are recognised in the Statement of Comprehensive Income as finance costs.

### (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

Under AASB 132, puttable financial instruments can only be classified as equity where certain strict criteria are met. The units issued by the Fund do not meet these criteria as they have different contractual features as detailed below:

- all units issued by the Fund provide unitholders with the right to redeem their units at the unitholders' option. The fair value of redeemable units is measured at the net asset value price that is payable at the Statement of Financial Position date; and
- due to the different management fee structures applying to the different classes of units (note 1(k)) the interests of unitholders does not meet the criteria to be classified as equity, as the different classes of units do not have identical features.

### (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.

### (k) Classes of units

The Fund had the following classes of units:

- Ordinary class
- Nil entry class
- Wholesale class
- ARS class
- ARS nil entry fee class

All classes of units in the Fund were exposed to the same underlying pool of assets. The unit classes are differentiated by the management fee structures as detailed in note 6 and by the entry fees.

## 2 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.

As at balance date for each period, the unconsolidated structured entities held by the Fund is set out below:

	Asset class	Statement of Financial Position reference	Fair value \$
3 May 2021	Australian equities	Australian-listed equities held via unlisted unit trust	-
30 June 2020	Australian equities	Australian-listed equities held via unlisted unit trust	2,581,954

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.

## 3 Net assets attributable to unitholders

	Ordinary class \$	Nil entry fee class \$	Wholesale class \$	ARS class \$	ARS nil entry class \$	Total \$
3 May 2021						
Opening balance	55,320	19,772,509	6,579,823	34,020,353	1,260,389	61,688,394
Applications	940	2,536,930	114,430	1,066,467	112,391	3,831,158
Redemptions	(69,686)	(26,494,770)	(8,199,044)	(42,467,628)	(1,650,252)	(78,881,380)
Change in net assets attributable to unitholders	13,426	4,185,331	1,504,791	7,380,808	277,472	13,361,828
Closing balance	-	-	-	-	-	-
30 June 2020						
Opening balance	133,360	35,329,999	8,630,368	46,383,976	1,815,000	92,292,703
Applications	3,062	3,838,199	488,371	3,839,013	152,218	8,320,863
Redemptions	(66,035)	(11,424,558)	(778,114)	(6,605,664)	(332,129)	(19,206,500)
Change in net assets attributable to unit holders	(15,067)	(7,971,131)	(1,760,802)	(9,596,972)	(374,700)	(19,718,672)
Closing balance	55,320	19,772,509	6,579,823	34,020,353	1,260,389	61,688,394

### 3 Net assets attributable to unitholders (continued)

	Ordinary class Units	Nil entry fee class Units	Wholesale class Units	ARS class Units	ARS nil entry class Units
<b>3 May 2021</b>					
Opening balance	61,796	22,631,552	7,384,432	46,312,773	1,705,995
Applications	939	2,682,066	119,250	1,310,814	133,656
Redemptions	<u>(62,735)</u>	<u>(25,313,618)</u>	<u>(7,503,682)</u>	<u>(47,623,587)</u>	<u>(1,839,651)</u>
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>30 June 2020</b>					
Opening balance	116,645	32,256,116	7,653,659	49,365,303	1,923,970
Applications	3,112	3,976,340	458,311	4,665,524	182,950
Redemptions	<u>(57,961)</u>	<u>(13,600,904)</u>	<u>(727,538)</u>	<u>(7,718,054)</u>	<u>(400,925)</u>
Closing balance	<u>61,796</u>	<u>22,631,552</u>	<u>7,384,432</u>	<u>46,312,773</u>	<u>1,705,995</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.

### 4 Auditor's remuneration

	3 May 2021 \$	30 June 2020 \$
Audit services - KPMG:*		
Audit and review of the Annual Financial Report	9,350	16,500
Audit of the Compliance Plan	<u>-</u>	<u>4,345</u>
Total	<u>9,350</u>	<u>20,845</u>

\*The audit fees were paid by the Responsible Entity and represents the agreed fees.



## 5 Distributions paid and payable

	3 May 2021		30 June 2020	
	\$	\$ per unit	\$	\$ per unit
<b>Ordinary class</b>				
30 September	303	0.0049	727	0.0123
31 December	92	0.0015	658	0.0110
31 March	510	0.0082	983	0.0162
	<u>905</u>	<u>0.0146</u>	<u>2,368</u>	<u>0.0395</u>
<b>Nil entry fee class</b>				
30 September	207,421	0.0094	615,493	0.0190
31 December	151,450	0.0064	226,197	0.0070
31 March	-	-	218,483	0.0100
30 June	-	-	287,731	0.0126
	<u>358,871</u>	<u>0.0158</u>	<u>1,347,904</u>	<u>0.0486</u>
<b>Wholesale class</b>				
30 September	54,163	0.0077	132,169	0.0171
31 December	24,470	0.0036	59,778	0.0079
31 March	64,477	0.0096	138,936	0.0187
30 June	-	-	49,181	0.0067
	<u>143,110</u>	<u>0.0209</u>	<u>380,064</u>	<u>0.0504</u>
<b>ARS class</b>				
30 September	187,423	0.0042	552,168	0.0115
31 December	33,289	0.0008	358,191	0.0076
31 March	-	-	979,495	0.0212
	<u>220,712</u>	<u>0.0050</u>	<u>1,889,854</u>	<u>0.0403</u>
<b>ARS nil entry class</b>				
30 September	6,231	0.0037	20,198	0.0108
31 December	679	0.0004	14,710	0.0080
31 March	-	-	31,363	0.0186
	<u>6,910</u>	<u>0.0041</u>	<u>66,271</u>	<u>0.0374</u>
<b>Total distributions paid and payable</b>	<u>730,508</u>		<u>3,686,461</u>	

### (a) Unrealised capital gains/(losses)

	3 May 2021	30 June 2020
	\$	\$
Balances at balance date for each period		
Net unrealised capital gains/(losses) for tax	-	(6,772,109)

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).

## 6 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.

## 6 Related parties (continued)

### (a) Responsible Entity and Key Management Personnel (continued)

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 period 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

#### 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 was (inclusive of GST, net of RITC available to the Fund) accrued daily and paid monthly based on the net asset value of the Fund. The total fee of \$568,553 (2020:\$898,188) 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.

The Responsible Entity fee was as follows:

- Ordinary class: 1.50% per annum to 22 April 2021 (2020: 2.05% per annum to 30 November 2020)
- Nil entry class: Nil% per annum (2020: Nil%)
- Wholesale class: 0.82% per annum to 22 April 2021 (2020: 0.82%)
- ARS class: 1.95% per annum (2020: 1.95%)
- ARS nil entry fee class: 2.22% per annum (2020: 2.22%)

## 6 Related parties (continued)

### (b) Responsible Entity (continued)

#### Balances payable

The aggregate amount payable to the Responsible Entity by the Fund at is as follows:

	3 May 2021	30 June 2020
	\$	\$
Responsible Entity fees payable	-	66,811

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

#### Related Party Transactions

##### Holdings in the Fund by other funds managed by the Responsible Entity

	Number of units held	Fair value	Interest held in the Fund	Units purchased during the year	Units sold during the year	Distributions received/ receivable during the year
3 May 2021		\$	%			\$
MBA Australian Geared Equity Fund	-	-	-	1,956,962	24,588,514	646,603
30 June 2020						
MBA Australian Geared Equity Fund	22,631,552	19,773,187	29.0	3,976,915	13,601,479	1,347,904

#### 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.

Details of the Fund's investment in the Maple-Brown Abbott Small Companies Trust are set out below:

## 6 Related parties (continued)

### (b) Responsible Entity (continued)

	Number of units held	Fair value	Interest held in the Fund	Units purchased during the year	Units sold during the year	Distributions received/ receivable during the year
		\$	%			\$
<b>3 May 2021</b>						
MBA Small Companies Trust	-	-	-	63,066	3,994,142	47,611
 30 June 2020						
MBA Small Companies Trust	3,931,076	2,581,931	7.1	205,046	1,332,807	116,087

The transactions with the Maple-Brown Abbott Small Companies Trust are carried out on the same terms and conditions as for other unitholders in that Fund.

#### Transactions with other parties

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.

## 7 Notes to the Statement of Cash Flows

### (a) Components of cash and cash equivalents

	3 May 2021	30 June 2020
	\$	\$
Cash at bank	-	2,153,836

## 7 Notes to the Statement of Cash Flows (continued)

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

	3 May 2021	30 June 2020
	\$	\$
Profit/(loss) for the reporting period attributable to unit holders	14,092,336	(16,032,211)
Proceeds from sale of financial instruments held at fair value through profit or loss	81,131,237	26,887,869
Purchase of financial instruments held at fair value through profit or loss	(8,089,202)	(15,411,381)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(13,192,773)	18,728,296
Net change in receivables and other assets	133,527	294,934
Net change in payables and other liabilities	(57,941)	(32,362)
Reinvested income	<u>(47,611)</u>	<u>(227,197)</u>
Total Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	<u><u>73,969,573</u></u>	<u><u>14,207,948</u></u>

### (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 reporting period the Fund received dividends and distributions in the form of shares or units via a dividend or distribution reinvestment plan (DRP). The value of the shares or units received is based on the market value as determined by the DRP rules and is detailed below:

	3 May 2021	30 June 2020
	\$	\$
Dividends and distributions received in the form of shares or units	47,611	227,197

#### Financing activities

##### Unitholder distributions reinvested

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

## 7 Notes to the Statement of Cash Flows (continued)

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

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

	3 May 2021		30 June 2020	
	\$	Units	\$	Units
Units issued or redeemed:				
Unitholder distribution reinvested	648,024	726,540	1,119,498	1,109

#### Investing activities

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

### (d) Reconciliation of liabilities from financing activities

The net change in financing activities during the reporting period is (\$76,123,409) which was from application, redemption and distribution paid transactions made by unitholders (2020: (\$15,062,561)).

## 8 Financial instruments

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

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.

### (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 and interest rate changes.

## 8 Financial instruments (continued)

### (a) Market risk (continued)

#### 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 invested at least 95% of its total assets in Australian-listed equity securities of companies or derivatives.

#### Investment restrictions

The main guideline in relation to portfolio composition is that exposure to a single stock should not be greater than 5% above its weighting in the benchmark. Exposure to the Maple-Brown Abbott Australian Value Opportunities Fund should not be greater than 5% of the market value of the Fund.

#### Market exposures

As at balance date for each period, the market exposures were as follows:

	3 May 2021	30 June 2020
	\$	\$
Financial assets mandatorily at fair value through profit or loss:		
Australian-listed equities	-	57,219,698
Australian-listed equities held via unlisted unit trust	-	2,581,954
<b>Total</b>	<u>-</u>	<u>59,801,652</u>

#### 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 price assuming all other variables are constant:

	3 May 2021		30 June 2020	
	% change	\$	% change	\$
Increase in price	10	-	10	6,536,321
Decrease in price	10	-	10	(6,536,321)

#### Fair value measurement recognised in the Statement of Financial Position

Fair value measurements are classified using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – fair values measured using quoted prices (unadjusted) in active markets for identical instruments;

## 8 Financial instruments (continued)

### (a) Market risk (continued)

- 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:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>3 May 2021</b>				
Financial assets at fair value through profit or loss:				
Australian-listed equities	-	-	-	-
Australian-listed equities held via unlisted unit trust	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>30 June 2020</b>				
Financial assets at fair value through profit or loss:				
Australian-listed equities	57,219,698	-	-	57,219,698
Australian-listed equities held via unlisted unit trust	-	2,581,954	-	2,581,954
<b>Total</b>	<u>57,219,698</u>	<u>2,581,954</u>	<u>-</u>	<u>59,801,652</u>

### 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 6(b). These investments are valued at their quoted net asset value price at balance date in accordance with note 1(c).



## 8 Financial instruments (continued)

### (a) Market risk (continued)

The Fund's investments in bank bills of exchange are priced on appropriate yield curves taking into account factors such as credit rating, security types, and term to maturity in accordance with note 1(c).

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 reporting period ended 3 May 2021 or the year ended 30 June 2020.

#### **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 majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates on interest bearing financial assets and liabilities. Any excess cash and cash equivalents are invested at short term market interest rates. The Responsible Entity monitors the overall exposure to cash and consequently interest rate sensitivity on a daily basis.

As at balance date for each period, the Fund's exposure to interest rate risk for classes of financial assets is set out below:

	Floating interest rate	Fixed interest rate	Total
	\$	\$	\$
<b>3 May 2021</b>			
Cash at bank	-	-	-
<b>Total</b>	-	-	-

## 8 Financial instruments (continued)

### (a) Market risk (continued)

	Floating interest rate	Fixed interest rate	Total
30 June 2020	\$	\$	\$
Cash at bank	2,153,836	-	2,153,836
Total	<u>2,153,836</u>	<u>-</u>	<u>2,153,836</u>

### (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.

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

	Less than 1 month	1-3 months	3-12 months	More than 1 year	Redeemable upon request	Total*
<b>3 May 2021</b>	\$	\$	\$	\$	\$	\$
Distributions payable	-	-	-	-	-	-
Sundry creditors and accruals	-	-	-	-	-	-
Net assets attributable to unitholders	-	-	-	-	-	-
<b>Total</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Less than 1 month	1-3 months	3-12 months	More than 1 year	Redeemable upon request	Total
30 June 2020	\$	\$	\$	\$	\$	\$
Distribution payable	336,912	-	-	-	-	336,912
Sundry creditors and accruals	83,703	-	-	-	-	83,703
Net assets attributable to unitholders	-	-	-	-	61,688,394	61,688,394
Total	<u>420,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61,688,394</u>	<u>62,109,009</u>

\*The carrying amounts equal the contractual cashflow amount.

## 8 Financial instruments (continued)

### (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.

All derivatives transactions are conducted through counterparties who are members of a recognised market exchange and are approved by the Responsible Entity.

As at balance date for each period, the credit rating for cash and cash equivalents is set out below:

<b>3 May 2021</b>	<b>\$</b>	<b>Credit rating*</b>
Cash at bank	-	A1+
30 June 2020		
Cash at bank	2,153,836	A1+

\*Standard and Poor's

### (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;
- monitoring the performance of external service providers;

## **8 Financial instruments (continued)**

### **(d) Operational risk (continued)**

- 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.

## **9 Events subsequent to balance date**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Fund disclosed in the Statement of Financial Position as at 3 May 2021 or on the results and cash flows of the Fund for the reporting period ended on that date.

## **10 Wind-up**

The Fund paid the final return of capital to unitholders and it was effectively wound up on 3 May 2021.

**Directors' declaration**

In the opinion of the directors of Maple-Brown Abbott Limited, the Responsible Entity of the Maple-Brown Abbott Sharemarket Fund:

- 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 3 May 2021 and of its performance for the reporting period 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.



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



# Independent Auditor's Report

To the unitholders of Maple-Brown Abbott Sharemarket Fund,

## Opinion

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

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

- giving a true and fair view of the Fund's financial position as at 3 May 2021, and of its financial performance and its cash flows for the period from 1 July 2020 to 3 May 2021; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises the:

- Statement of financial position as at 3 May 2021
- Statement of comprehensive income for the period then ended
- Statement of changes in equity, and Statement of cash flows for the period 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.

## Emphasis of Matter

We draw attention to note 1(b) of the financial report which describes the basis of preparation. The financial report has been prepared on a basis other than going concern, following a resolution to wind up the Fund made by the Board of Directors of the Responsible Entity. Our opinion is not modified in respect of this matter.



## Other Information

Other Information is financial and non-financial information in the Maple-Brown Abbott Sharemarket Fund's 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](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