

AMPCAPITAL 

AMP Capital Active Exchange Traded Managed Funds

Annual Financial Report
For the year ended 30 June 2020

AMP Capital Global Infrastructure Securities Fund
(Unhedged) (Managed Fund)
ASX Code: GLIN ARSN 609 146 483

AMP Capital Global Property Securities Fund
(Unhedged) (Managed Fund)
ASX Code: RENT ARSN 609 155 606

AMP Capital Dynamic Markets Fund (Hedge Fund)
ASX Code: DMKT ARSN 609 155 731

 *In alliance with*
BetaShares

AMP Capital Active Exchange Traded Managed Funds

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)

AMP Capital Global Property Securities Fund (Unhedged) (Managed Fund)

AMP Capital Dynamic Markets Fund (Hedge Fund)

Annual Financial Report

For the year ended 30 June 2020

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Directors' report

The directors of BetaShares Capital Ltd, the Responsible Entity of the following managed investment funds (the "Funds"), present their report together with the annual financial report of the Funds for the year ended 30 June 2020 and the auditor's report thereon.

Fund name	Referred to in this document as	Financial reporting period	ARSN
AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)	Global Infrastructure Securities Fund	1 July 2019 to 30 June 2020	ARSN 609 146 483
AMP Capital Global Property Securities Fund (Unhedged) (Managed Fund)	Global Property Securities Fund	1 July 2019 to 30 June 2020	ARSN 609 155 606
AMP Capital Dynamic Markets Fund (Hedge Fund)	Dynamic Markets Fund	1 July 2019 to 30 June 2020	ARSN 609 155 731

Responsible Entity and Investment Manager

The Responsible Entity of the Funds is BetaShares Capital Ltd (ABN 78 139 566 868). The Responsible Entity's registered office and principal place of business is Level 11, 50 Margaret Street, Sydney, NSW 2000.

AMP Capital Investors Limited (AMP Capital) is the Investment Manager of the Funds.

Principal activities

The principal activity of each Fund is to invest in accordance with the investment objective and guidelines as set out in the Fund's current Product Disclosure Statement and its Constitution.

The Funds did not have any employees during the year.

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

Directors

The following persons held office as directors of BetaShares Capital Ltd during or since the end of the financial year and up to the date of this report:

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)
Thomas Park (appointed 12 August 2015, resigned 6 February 2020)
Young Hwan Kim (appointed 7 February 2020)
Jungho Rhee (appointed 1 September 2018)

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the financial year.

Directors' report (continued)

Review and results of operations

During the year, the Funds continued to invest in accordance with target asset allocations as set out in their governing documents in accordance with the provisions of the Funds' Constitutions.

The results of operations of the Funds are disclosed in the statements of comprehensive income. The income distributions payable by each of the Funds are disclosed in the statements of financial position. The income distributions paid and payable by each of the Funds are disclosed in Note 4 to the financial statements.

Since the World Health Organisation has declared COVID-19 a global pandemic in March 2020, there has been significant disruption to the economy and society. The Directors and management of the Responsible Entity have instigated a response plan to maintain business continuity and continue to deliver services to Fund investors. The Responsible Entity has been taking steps to ensure that the principle activities of the Funds align to PDSs and it continues to monitor and review valuations and the liquidity position of the Funds on a regular basis. Management have taken into account the impacts of the pandemic when preparing these financial statements.

Matters subsequent to the end of the financial year

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented. No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

Further information on likely developments in the operation of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Funds in regard to insurance cover provided to either the Responsible Entity, directors or the auditor of the Funds. As long as the officers of the Responsible Entity act in accordance with the Funds' Constitutions and the Law, the officers remain indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds. The auditor of the Funds is in no way indemnified out of the assets of the Funds.

Fees paid to and interests held in the Funds by the Responsible Entity or its Associates

Fees paid to the Responsible Entity and its associates out of the Funds' property during the year are disclosed in Note 12 of the financial statements.

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

The number of interests in the Funds held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 12 of the financial statements.

Directors' report (continued)

Interests in the Funds

The movement in units on issue in the Funds during the year is disclosed in Note 3 of the financial statements.

The value of the Funds' assets and liabilities is disclosed in the statements of financial position and derived using the basis set out in Note 2 of the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

Certain Funds are entities of the 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 off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

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

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



David Nathanson
Director



Alex Vynokur
Director

Sydney
22 September 2020



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

To the Directors of BetaShares Capital Ltd, as Responsible Entity for the Schemes:

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)

AMP Capital Global Property Securities Fund (Unhedged) (Managed Fund)

AMP Capital Dynamic Markets Fund (Hedge Fund)

I declare that, to the best of my knowledge and belief, in relation to the audit of the Schemes for the financial year ended 30 June 2020 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

Nicholas Buchanan
Partner
Sydney

22 September 2020

AMP Capital Active Exchange Traded Managed Funds
Statements of comprehensive income
For the year ended 30 June 2020

Statements of comprehensive income

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$	\$
Notes						
Investment income						
Dividend and distribution income	1,179	1,017	712	563	184,994	260,358
Interest income	3	7	4	6	12,626	135,560
Net gains/(losses) on financial instruments at fair value through profit or loss	(2,943)	4,388	(2,484)	2,088	(553,206)	61,431
Net foreign exchange gains/(losses)	(22)	(4)	(25)	4	(683,140)	(1,594,430)
Other operating income	15	2	6	4	3,246	3,166
Total net investment income/(losses)	(1,768)	5,410	(1,787)	2,665	(1,035,480)	(1,133,915)
Expenses						
Management fees	12 265	194	228	166	77,782	133,524
Performance fees	12 103	48	-	-	-	-
Expense recoveries	12 17	12	5	3	4,861	7,362
Transaction costs	30	28	36	15	96,420	63,136
Other operating expenses	187	147	152	102	56,191	59,442
Total operating expenses	602	429	421	286	235,254	263,464
Profit/(loss) for the year	(2,370)	4,981	(2,208)	2,379	(1,270,734)	(1,397,379)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the year	(2,370)	4,981	(2,208)	2,379	(1,270,734)	(1,397,379)

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

AMP Capital Active Exchange Traded Managed Funds
Statements of financial position
As at 30 June 2020

Statements of financial position

	Notes	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$	\$
Assets							
Cash and cash equivalents		149	435	291	616	934,826	11,969,997
Financial assets at fair value through profit or loss	6	32,849	27,735	20,804	19,719	5,501,124	9,843,489
Due from brokers		-	4	86	20	-	1,833,055
Receivables		116	157	96	114	1,212	9,881
Total assets		33,114	28,331	21,277	20,469	6,437,162	23,656,422
Liabilities							
Due to brokers		-	85	162	-	-	-
Financial liabilities at fair value through profit or loss	6	-	-	-	-	17,512	15,417
Distributions payable	4	2,735	614	111	95	-	-
Other payables		329	62	17	16	2,906	10,081
Total liabilities (excluding net assets attributable to unitholders)		3,064	761	290	111	20,418	25,498
Net assets attributable to unitholders - equity	3	30,050	27,570	20,987	20,358	6,416,744	23,630,924

The above statements of financial position should be read in conjunction with the accompanying notes.

AMP Capital Active Exchange Traded Managed Funds
Statements of changes in equity
For the year ended 30 June 2020

Statements of changes in equity

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Total equity at the beginning of the year	27,570	-	20,358	-	23,630,924	-
Reclassification due to AMIT tax regime implementation*	-	23,551	-	14,822	-	28,355,088
Comprehensive income for the year						
Profit/(loss) for the year	(2,370)	4,981	(2,208)	2,379	(1,270,734)	(1,397,379)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	(2,370)	4,981	(2,208)	2,379	(1,270,734)	(1,397,379)
Transactions with unitholders						
Applications	12,010	3,859	12,181	4,013	402,501	4,312,911
Redemptions	(4,054)	(3,837)	(8,997)	(594)	(16,345,947)	(7,656,104)
Units issued upon reinvestment of distributions	32	21	8	5	-	16,408
Distributions to unitholders	(3,138)	(1,005)	(355)	(267)	-	-
Total transactions with unitholders	4,850	(962)	2,837	3,157	(15,943,446)	(3,326,785)
Total equity at the end of the year*	30,050	27,570	20,987	20,358	6,416,744	23,630,924

*Effective from 1 July 2018, the Funds' units have been reclassified from financial liability to equity. As a result, equity transactions, including distributions have been disclosed in the above statements for the year ended 30 June 2020 and 30 June 2019.

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

AMP Capital Active Exchange Traded Managed Funds
Statements of cash flows
For the year ended 30 June 2020

Statements of cash flows

	Notes	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$	\$
Cash flows from operating activities							
Proceeds from maturity/sales of financial instruments at fair value through profit or loss		11,353	11,338	13,424	5,621	40,863,894	50,835,537
Payments for maturity/purchases of financial instruments at fair value through profit or loss		(19,233)	(10,733)	(16,904)	(8,737)	(35,924,780)	(49,428,220)
Dividends and distributions received		944	710	713	476	173,750	169,101
Interest received		3	7	4	6	19,199	129,359
Other operating income received		15	2	6	4	3,246	3,166
Management fees paid		(261)	(207)	(227)	(173)	(84,539)	(147,564)
Performance fees paid		(146)	(5)	-	-	-	-
Expense recoveries paid		(17)	(13)	(5)	(3)	(5,284)	(7,334)
Transaction costs paid		(30)	(28)	(36)	(15)	(96,420)	(63,136)
Other operating expenses paid		(188)	(149)	(153)	(104)	(54,090)	(60,327)
Net cash inflow/(outflow) from operating activities	5 (a)	(7,560)	922	(3,178)	(2,925)	4,894,976	1,430,582
Cash flows from financing activities							
Proceeds from applications by unitholders		12,010	3,859	12,181	4,084	402,501	4,353,356
Payments for redemptions by unitholders		(3,748)	(4,022)	(8,997)	(595)	(16,345,947)	(7,656,104)
Distributions paid		(985)	(614)	(331)	(240)	-	(281,296)
Net cash inflow/(outflow) from financing activities		7,277	(777)	2,853	3,249	(15,943,446)	(3,584,044)
Net increase/(decrease) in cash and cash equivalents		(283)	145	(325)	324	(11,048,470)	(2,153,462)
Cash and cash equivalents at the beginning of the year		435	290	616	292	11,969,997	14,136,711
Effects of foreign currency exchange rate changes on cash and cash equivalents		(3)	-	-	-	13,299	(13,252)
Cash and cash equivalents at the end of the year		149	435	291	616	934,826	11,969,997
Non-cash financing activities	5 (b)	309	300	26	72	11,244	114,305

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

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1 General information

These financial statements cover the following managed investment funds ("the Funds"). The Funds are registered managed investment schemes under the *Corporations Act 2001*. The Responsible Entity cannot issue or redeem any units from the 80th anniversary of the day before the day the Funds commenced if that issue or redemption would cause a contravention of the rule against perpetuities or any other rule of law or equity. The Funds may be terminated in accordance with the provisions of their Constitutions. The Funds are domiciled in Australia.

Abbreviated Fund name	Registration date	Commencement date	Financial reporting period
Global Infrastructure Securities Fund	11 November 2015	25 May 2016	1 July 2019 to 30 June 2020
Global Property Securities Fund	11 November 2015	25 May 2016	1 July 2019 to 30 June 2020
Dynamic Markets Fund	11 November 2015	15 July 2016	1 July 2019 to 30 June 2020

The Responsible Entity of the Funds is BetaShares Capital Ltd (the "Responsible Entity"). The Responsible Entity's registered office is Level 11, 50 Margaret Street, Sydney NSW 2000.

The financial statements were authorised for issue by the directors on 22 September 2020. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

The financial statements are presented in Australian dollars, which is the Funds' functional currency.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented. Certain comparative amounts have been reclassified to conform to the current period's presentation.

(a) Basis of preparation

These general purpose financial statements have 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 Funds are for-profit unit trusts for the purpose of preparing the financial statements.

The Funds operated solely in one segment which is the business of investment management within Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investment in financial assets and net assets attributable to unitholders.

Management have taken into account the impacts of the COVID-19 pandemic on the valuation and presentation of the Funds' investments and its operating environment when preparing this financial report.

Compliance with International Financial Reporting Standards (IFRS)

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

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Use of estimates and judgements

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and assumptions are continually evaluated and 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.

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 the Financial Risk Management Note 7) for managing risk, determining fair values and classifying assets and liabilities in the fair value hierarchy for disclosure purposes as at the reporting date.

For the majority of the Funds' financial instruments, quoted market prices are readily available. However, certain financial instruments are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and regularly reviewed by experienced personnel of the Responsible Entity, independent of the area that created them.

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

For certain other financial instruments, including amounts due from/to brokers and payables, the carrying amounts approximate fair value due to the short-term nature of these financial instruments.

Investment entity exception

The Funds meet the definition of an investment entity and therefore apply the investment entity amendments to AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure of Interest in Other Entities* and AASB 127 *Separate Financial Statement*. AASB 10 is applicable to all investees; among other things, it requires the consolidation of an investee if the Funds control the investee on the basis of de facto circumstances. An exception however exists where an entity meets the definition of an investment entity.

The Funds meet the definition of investment entity due to the following factors:

- (a) the Funds obtain funds from one or more unitholders for the purpose of providing the unitholders with investment management services;
- (b) the Funds commit to their unitholders that their business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) the Funds measure and evaluate the performance of substantially all of their investments on a fair value basis.

In making the above assessments, the Funds have multiple investments and multiple investors. Their investors are generally unrelated parties of the Funds. Unitholders invest for returns from capital appreciation, investment income, or both. Directors of the Responsible Entity have concluded that the Funds meet the definition of investment entity.

Assessment of the Funds' investments as structured entities

The Funds have assessed whether the securities in which they invest are structured entities. The Funds have considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Funds have assessed whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds. The Funds have concluded that the managed investment funds in which they invest are not structured entities.

2 Summary of significant accounting policies (continued)

(b) Changes in accounting policy and transition

There were no changes in the accounting policies of the Funds during the financial year.

(c) New accounting standards and interpretations adopted by the Funds

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

There are no standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

(d) Financial instruments

(i) Classification

The Funds classify their investments based on their business model for managing those financial assets and their contractual cash flow characteristics. The Funds' portfolios of financial assets are managed and their performance is evaluated on a fair value basis in accordance with the Funds' documented investment strategy. The Funds evaluate the information about their investments on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however, they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model objective. Consequently, the debt securities are measured at fair value through profit or loss.

(ii) Recognition/derecognition

The Funds recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date) and recognise changes in fair value of the financial assets or financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Funds measure a financial asset or liability at its fair value. Transaction costs of financial asset or liability are expensed in the statements of comprehensive income as incurred.

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

2 Summary of significant accounting policies (continued)

(d) Financial instruments (continued)

(iii) Measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities is the last traded price.

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Funds use a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used may include the use of comparable recent arms length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models or any other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements 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.

(e) Net assets attributable to unitholders

The Funds consider their net assets attributable to unitholders as equity as each Fund had made an irrevocable choice to be an Attribution Managed Investment Trust (AMIT).

Subject to market conditions, unitholders may withdraw their units from the Funds at their election by trading on the Australian Securities Exchange at the prevailing market price for sale of the units at the time of the transaction. The Responsible Entity on behalf of each Fund intends to provide liquidity to unitholders by acting as a buyer and seller of units on the exchange. At the end of each trading day, the Responsible Entity will issue or cancel units according to its net position in units bought or sold on the exchange on that day. The price at which the Responsible Entity may buy or sell units will generally reflect the Responsible Entity's view of the Funds' net asset value per unit.

The fair value of units is measured at the net asset value per unit, which approximates fair value at the end of the reporting year if unitholders elected to withdraw units from the Funds.

(f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. The carrying amount of cash approximates fair value.

2 Summary of significant accounting policies (continued)

(g) Investment income

Interest income earned on cash balances is recognised on an accrual basis in the Statement of Comprehensive Income using the nominated interest rates available on the bank accounts held.

Interest income earned from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(d).

(h) Expenses

All expenses are recognised in the statements of comprehensive income on an accruals basis.

(i) Income tax

The Funds are not subject to income tax as unitholders are presently entitled to the income of the Funds.

The benefits of any imputation credits and foreign tax paid are passed on to unitholders.

(j) Distributions

In accordance with the Funds' Constitutions, the Funds distribute income adjusted for amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statements of changes in equity.

(k) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

2 Summary of significant accounting policies (continued)

(k) Foreign currency translation (continued)

(ii) Transactions and balances (continued)

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

(l) Due from/to brokers

Amounts due from/to brokers (if applicable) represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the end of the year. Trades are recorded on trade date, and normally settled within three business days. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Funds will not be able to collect all amounts due from the relevant broker. Indicators that the amount due from brokers is impaired include significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation and default in payments.

(m) Receivables

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in Note 2(g) above. The Funds' receivables are measured at amortised cost under AASB 9 and the impact of any expected credit losses (ECL) is not material as amounts are generally received within 30 days of being recorded as receivables. The carrying amount of receivables approximates fair value.

(n) Other payables

Other payables include liabilities and accrued expenses owing by the Funds which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the reporting date is recognised separately in the statements of financial position as unitholders are presently entitled to the distributable income.

(o) Applications and redemptions

Applications received for units in the Funds are recorded net of any entry fees payable (if applicable) prior to the issue of units in the Funds. Redemptions from the Funds are recorded gross of any exit fees payable (if applicable) after the cancellation of units redeemed.

(p) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Funds by third parties such as custodian services and investment management fees have been passed onto the Funds. The Funds qualify for Reduced Input Tax Credits (RITC) at a rate of 55% to 85%; hence investment management fees, custodial fees and other expenses have been recognised in the statements of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Accounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statements of financial position. Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(q) Rounding of amounts

Certain Funds are an entity of the 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 directors' report have been rounded off to the nearest thousand dollars in accordance with that Instrument, unless otherwise indicated.

3 Net assets attributable to unitholders

Under AASB 132 Financial Instruments: Presentation, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions.

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

	Global Infrastructure Securities Fund				Global Property Securities Fund			
	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 Units '000	30 June 2019 Units '000	30 June 2020 \$'000	30 June 2019 \$'000
Net assets attributable to unitholders								
Opening balance	8,642	8,662	27,570	23,551	7,198	5,924	20,358	14,822
Applications	3,610	1,581	12,010	3,859	4,419	1,611	12,181	4,013
Redemptions	(1,274)	(1,609)	(4,054)	(3,837)	(3,338)	(339)	(8,997)	(594)
Units issued upon reinvestment of distributions	10	8	32	21	3	2	8	5
Distributions to unitholders	-	-	(3,138)	(1,005)	-	-	(355)	(267)
Profit/(loss) for the year	-	-	(2,370)	4,981	-	-	(2,208)	2,379
Closing balance	10,988	8,642	30,050	27,570	8,282	7,198	20,987	20,358

	Dynamic Markets Fund			
	30 June 2020 Units	30 June 2019 Units	30 June 2020 \$	30 June 2019 \$
Net assets attributable to unitholders				
Opening balance	9,519,933	10,970,592	23,630,924	28,355,088
Applications	165,584	1,998,292	402,501	4,312,911
Redemptions	(6,695,666)	(3,455,282)	(16,345,947)	(7,656,104)
Units issued upon reinvestment of distributions	-	6,331	-	16,408
Distributions to unitholders	-	-	-	-
Profit/(loss) for the year	-	-	(1,270,734)	(1,397,379)
Closing balance	2,989,851	9,519,933	6,416,744	23,630,924

Capital risk management

The Funds consider their net assets attributable to unitholders as equity. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

The daily issues and withdrawals of units are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Funds' governing rules, the Responsible Entity may suspend the issue or withdrawal of units in certain circumstances.

4 Distributions to unitholders

The distributions paid/payable for the year were as follows:

	Global Infrastructure Securities Fund				Global Property Securities Fund			
	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU	30 June 2020 \$'000	30 June 2020 CPU	30 June 2019 \$'000	30 June 2019 CPU
Distributions								
Distribution paid - September	208	2.27	162	1.96	78	1.00	61	0.97
Distribution paid - December	28	0.28	124	1.46	90	1.09	61	0.93
Distribution paid - March	167	1.53	105	1.24	76	0.91	50	0.73
Distribution payable - June	2,735	24.89	614	7.10	111	1.35	95	1.33
Total distributions	3,138	28.97	1,005	11.76	355	4.35	267	3.96

There is no distribution paid/payable for Dynamic Markets Funds for the year ended 30 June 2020 and 30 June 2019.

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

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
(a) Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities						
Operating profit/(loss)	(2,370)	4,981	(2,208)	2,379	(1,270,734)	(1,397,379)
Net (gains)/losses on financial instruments at fair value through profit or loss	2,943	(4,388)	2,484	(2,088)	553,206	(61,431)
Payments for maturity/purchases of financial instruments at fair value through profit or loss	(19,233)	(10,733)	(16,904)	(8,737)	(35,924,780)	(49,428,220)
Proceeds from maturity/sales of financial instruments at fair value through profit or loss	11,353	11,338	13,424	5,621	40,863,894	50,835,537
Purchases of investments satisfied by the participation in dividend and distribution reinvestment plans	(277)	(279)	(18)	(67)	(11,244)	(97,897)
Net foreign exchange (gains)/losses	22	4	25	(4)	683,140	1,594,430
Net change in receivables and other assets	41	(28)	18	(20)	8,669	439
Net change in payables and other liabilities	(39)	27	1	(9)	(7,175)	(14,897)
Net cash inflow/(outflow) from operating activities	(7,560)	922	(3,178)	(2,925)	4,894,976	1,430,582
(b) Non-cash financing and investing activities						
During the year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	32	21	8	5	-	16,408
The following purchases of investments were satisfied by the participation in dividend and distribution reinvestment plans	277	279	18	67	11,244	97,897
	309	300	26	72	11,244	114,305

6 Financial instruments at fair value through profit or loss

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019	30 June 2020 \$'000	30 June 2019	30 June 2020 \$	30 June 2019
Financial assets at fair value through profit or loss						
Listed securities	32,849	27,735	20,804	19,719	5,367,403	9,720,064
Options	-	-	-	-	97,279	-
Futures	-	-	-	-	-	123,425
Foreign currency forward contracts	-	-	-	-	36,442	-
Total financial assets at fair value through profit or loss	32,849	27,735	20,804	19,719	5,501,124	9,843,489
	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019	30 June 2020 \$'000	30 June 2019	30 June 2020 \$	30 June 2019
Financial liabilities at fair value through profit or loss						
Foreign currency forward contracts	-	-	-	-	-	15,417
Futures	-	-	-	-	17,512	-
Total financial liabilities at fair value through profit or loss	-	-	-	-	17,512	15,417

An overview of the risk exposures relating to financial assets and liabilities is included in Note 7.

7 Financial risk management

(a) Objectives, strategies, policies and processes

The Funds are active exchange traded managed funds that primarily invest in securities listed on global share markets, derivative instruments and cash and cash equivalents.

The Funds' activities expose them to a variety of financial risks which may include market risk (including price risk, foreign currency risk and interest rate risk), credit risk and liquidity risk. The Funds use different methods to measure different types of risk to which they are exposed. Methods include sensitivity analysis in the case of price risk.

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 the Financial Risk Management note 8) for managing risk, determining fair values and classifying assets and liabilities in the fair value hierarchy for disclosure purposes as at the reporting date.

The Funds' overall risk management programs focus on ensuring compliance with the Funds' Product Disclosure Statements (PDSs) and seek to maximise the returns derived for the level of risk to which the Funds are exposed. Financial risk management is carried out by an investment manager under policies approved by the Board of Directors of the Responsible Entity (the Board).

The Board of Directors of the Responsible Entity has overall responsibility for the establishment and oversight of the Funds' risk management framework. The Funds' overall risk management programs focus on ensuring compliance with the Funds' PDSs and investment guidelines.

Compliance with the Funds' Product Disclosure Statements, Constitutions and investment guidelines are reported to the Board on a regular basis.

7 Financial risk management (continued)

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Funds' income or the carrying value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Price risk

The Funds are exposed to securities and derivatives price risk. This arises from investments held by the Funds for which prices in the future are uncertain. Securities and derivatives are classified in the statements of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Funds' overall market positions are reported to the Board on a regular basis.

Sensitivity analysis

An increase of 10% at the reporting date of the market prices attributable to the assets held by the Funds would have the following impact on the Funds' operating profit/(loss) and net assets attributable to unitholders. This analysis assumes that all other variables remain constant. A decrease of 10% would have an equal, but the opposite effect to the amounts shown below, on the basis that all other variables remain constant.

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Funds' operating profit/(loss) and net assets attributable to unitholders	3,285	2,774	2,080	1,972	550,112	984,349

(ii) Foreign exchange risk

The Funds may hold both monetary and non-monetary assets denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. Foreign exchange risk arises as the value of monetary assets denominated in other currencies fluctuates due to changes in exchange rates. The risk is measured using sensitivity analysis.

7 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

The table below summarises the Funds' assets and liabilities, monetary and non-monetary, that are denominated in a currency other than the Australian dollar (calculated after the effect of associated foreign currency derivatives).

Foreign Currency	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
USD	15,575	10,889	11,606	10,736	201,952	(2,053,301)
EUR	4,709	4,564	2,193	1,857	1,020,426	388,375
CAD	5,799	6,181	467	571	400	1
GBP	2,696	3,082	1,009	926	(16,052)	-
HKD	1,999	932	1,176	1,690	(3,276)	(546,912)
Others	1,235	1,168	3,591	3,084	464,711	3,090,891
Net foreign currency exposure	32,013	26,816	20,042	18,864	1,668,161	879,054

Sensitivity analysis - foreign exchange risk

The following tables summarises the sensitivities of the Funds' monetary assets and liabilities to foreign exchange risk.

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$	30 June 2019 \$
Impact on Profit/(loss) from operating activities and net assets attributable to unitholders						
10% AUD appreciation against foreign currency (2019: 10%)	(12)	(10)	(22)	(15)	(4,940)	53,380

A 10% AUD depreciation against foreign currency would have an equal, but opposite effect to the amounts shown in the table above.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest bearing financial assets are exposed to fluctuations in the prevailing levels of market interest rates on their financial position and cash flows. Financial instruments with variable interest rates expose Funds to cash flow interest rate risk. Financial instruments with fixed interest rates expose Funds to fair value interest rate risk. The risk is measured using sensitivity analysis.

7 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

The tables below summarises the Funds' exposure to interest rate risks.

Global Infrastructure Securities Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000		30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	
Assets								
Cash and cash equivalents	149	-	-	149	435	-	-	435
Financial assets at fair value through profit or loss	-	-	32,849	32,849	-	-	27,735	27,735
Due from brokers	-	-	-	-	-	-	4	4
Receivables	-	-	116	116	-	-	157	157
Liabilities								
Due to brokers	-	-	-	-	-	-	(85)	(85)
Distributions payable	-	-	(2,735)	(2,735)	-	-	(614)	(614)
Other payables	-	-	(329)	(329)	-	-	(62)	(62)
	149	-	29,901	30,050	435	-	27,135	27,570
Global Property Securities Fund								
Global Property Securities Fund	Floating	Fixed	Non-interest	Total	Floating	Fixed	Non-interest	Total
	interest rate	interest rate	bearing		interest rate	interest rate	bearing	
	30 June 2020 \$'000	30 June 2020 \$'000	30 June 2020 \$'000		30 June 2019 \$'000	30 June 2019 \$'000	30 June 2019 \$'000	
Assets								
Cash and cash equivalents	291	-	-	291	616	-	-	616
Financial assets at fair value through profit or loss	-	-	20,804	20,804	-	-	19,719	19,719
Due from brokers	-	-	86	86	-	-	20	20
Receivables	-	-	96	96	-	-	114	114
Liabilities								
Due to brokers	-	-	(162)	(162)	-	-	-	-
Distributions payable	-	-	(111)	(111)	-	-	(95)	(95)
Other payables	-	-	(17)	(17)	-	-	(16)	(16)
	291	-	20,696	20,987	616	-	19,742	20,358

7 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

Dynamic Markets Fund	Floating interest rate	Fixed interest rate	Non-interest bearing	Total	Floating interest rate	Fixed interest rate	Non-interest bearing	Total
	30 June 2020	30 June 2020	30 June 2020	30 June 2020	30 June 2019	30 June 2019	30 June 2019	30 June 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Assets								
Cash and cash equivalents	934,826	-	-	934,826	11,969,997	-	-	11,969,997
Financial assets at fair value through profit or loss	-	-	5,501,124	5,501,124	-	-	9,843,489	9,843,489
Due from brokers	-	-	-	-	-	-	1,833,055	1,833,055
Receivables	-	-	1,212	1,212	-	-	9,881	9,881
Liabilities								
Financial liabilities at fair value through profit or loss	-	-	(17,512)	(17,512)	-	-	(15,417)	(15,417)
Distributions payable	-	-	-	-	-	-	-	-
Other payables	-	-	(2,906)	(2,906)	-	-	(10,081)	(10,081)
	934,826	-	5,481,918	6,416,744	11,969,997	-	11,660,927	23,630,924

The analysis is based on the assumption that interest rates increase or decrease by a "predetermined basis points" from the year end rates with all other variables held constant. The predetermined basis points for 30 June 2020 are noted in the table below (30 June 2019: 100bps). Management have considered the movements for each investment asset type to be reasonable given the Fund's economic environment.

Sensitivity analysis - Interest rate risk

	Currency	Sensitivity rate (basis points)	Impact on net assets attributable to unitholders			
			Increase 30 June 2020	Decrease 30 June 2020	Increase 30 June 2019	Decrease 30 June 2019
Global Infrastructure Securities Fund (\$'000)	AUD	25	-	-	4	(4)
Global Property Securities Fund (\$'000)	AUD	25	1	(1)	6	(6)
Dynamic Markets Fund (\$)	AUD	25	2,337	(2,337)	119,700	(119,700)

(c) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds.

(i) Settlement of securities transactions

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

7 Financial risk management (continued)

(c) Credit risk (continued)

(ii) Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of A or higher (as determined by Standard & Poor's or equivalent rating agency).

The custody of the Funds' assets is mainly concentrated with one counterparty, namely BNP Paribas Securities Services. BNP Paribas Securities Services is a member of a major securities exchange, and at 30 June 2020 and 30 June 2019 had a credit rating of A+ (S&P) and Aa3 (Moody's). At 30 June 2020, substantially all cash and cash equivalents, balances due from brokers and investments are held in custody by BNP Paribas Securities Services.

(iii) Other

The Funds are not materially exposed to credit risk on other financial assets. In accordance with the Funds' policy, the Responsible Entity monitors the Funds' credit position on a regular basis.

(d) Liquidity risk

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of redeemable units. The Funds primarily hold investments that are traded in an active market and can be readily realisable.

The Funds may invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Funds may not be able to quickly liquidate their investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer to counterparty.

The tables below analyse the Funds' derivative and non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

Global Infrastructure Securities Fund	On demand	Less than 6 months	Greater than 6 months	Total
	\$'000	\$'000	\$'000	\$'000
At 30 June 2020				
Due to brokers	-	-	-	-
Distributions payable	-	2,735	-	2,735
Other payables	-	329	-	329
Total financial liabilities	-	3,064	-	3,064
At 30 June 2019				
Due to brokers	-	85	-	85
Distributions payable	-	614	-	614
Other payables	-	62	-	62
Total financial liabilities	-	761	-	761

7 Financial risk management (continued)

(d) Liquidity risk (continued)

Global Property Securities Fund

At 30 June 2020

Distributions payable

Other payables

Total financial liabilities

At 30 June 2019

Distributions payable

Other payables

Total financial liabilities

	On demand	Less than 6 months	Greater than 6 months	Total
	\$'000	\$'000	\$'000	\$'000
Distributions payable	-	111	-	111
Other payables	-	17	-	17
Total financial liabilities	-	128	-	128
Distributions payable	-	95	-	95
Other payables	-	16	-	16
Total financial liabilities	-	111	-	111

Dynamic Markets Fund

At 30 June 2020

Other payables

Total financial liabilities

At 30 June 2019

Other payables

Total financial liabilities

	On demand	Less than 6 months	Greater than 6 months	Total
	\$	\$	\$	\$
Other payables	-	2,906	-	2,906
Total financial liabilities	-	2,906	-	2,906
Other payables	-	10	-	10
Total financial liabilities	-	10	-	10

Dynamic Markets Fund

At 30 June 2020

Futures

Total financial liabilities

At 30 June 2019

Foreign currency forward contracts

Total financial liabilities

	On demand	Less than 6 months	Greater than 6 months	Total
	\$	\$	\$	\$
Futures	-	17,512	-	17,512
Total financial liabilities	-	17,512	-	17,512
Foreign currency forward contracts	-	15,417	-	15,417
Total financial liabilities	-	15,417	-	15,417

8 Fair value measurements

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

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

Fair value estimation

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in statements of comprehensive income.

(i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Funds value their investments in accordance with the accounting policies set out in Note 2. For the majority of their investments, the Funds rely on information provided by independent pricing services for the valuation of their investments.

The quoted market price used for financial assets held by the Funds is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

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.

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

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Funds for similar financial instruments.

8 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at 30 June 2020 and 30 June 2019.

Global Infrastructure Securities Fund								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss								
Listed securities	32,849	-	-	32,849	27,735	-	-	27,735
Total assets	32,849	-	-	32,849	27,735	-	-	27,735
Global Property Securities Fund								
	Level 1 30 June 2020 \$'000	Level 2 30 June 2020 \$'000	Level 3 30 June 2020 \$'000	Total 30 June 2020 \$'000	Level 1 30 June 2019 \$'000	Level 2 30 June 2019 \$'000	Level 3 30 June 2019 \$'000	Total 30 June 2019 \$'000
Financial assets								
Financial assets at fair value through profit or loss								
Listed securities	20,804	-	-	20,804	19,719	-	-	19,719
Total assets	20,804	-	-	20,804	19,719	-	-	19,719
Dynamic Markets Fund								
	Level 1 30 June 2020 \$	Level 2 30 June 2020 \$	Level 3 30 June 2020 \$	Total 30 June 2020 \$	Level 1 30 June 2019 \$	Level 2 30 June 2019 \$	Level 3 30 June 2019 \$	Total 30 June 2019 \$
Financial assets								
Financial assets at fair value through profit or loss								
Listed securities	5,367,403	-	-	5,367,403	9,720,064	-	-	9,720,064
Options	97,279	-	-	97,279	-	-	-	-
Futures	-	-	-	-	123,425	-	-	123,425
Foreign currency forward contracts	-	36,442	-	36,442	-	-	-	-
Total assets	5,464,682	36,442	-	5,501,124	9,843,489	-	-	9,843,489

8 Fair value measurements (continued)

Fair value estimation (continued)

(iii) Recognised fair value measurements (continued)

	Dynamic Markets Fund							
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2020	2020	2020	2020	2019	2019	2019	2019
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities								
Financial liabilities at fair value through profit or loss								
Foreign currency forward contracts	-	-	-	-	-	15,417	-	15,417
Futures	17,512	-	-	17,512	-	-	-	-
Total liabilities	17,512	-	-	17,512	-	15,417	-	15,417

(iv) Transfers between levels

There were no transfers between levels during the year ended 30 June 2020 and 30 June 2019.

(v) Movement in level 3 instruments

There were no investments classified as level 3 within the Funds as at 30 June 2020.

(vi) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Net assets attributable to unitholders' carrying value differs from its fair value (deemed to be redemption price for individual units) due to differences in valuation inputs. This difference is not material in the current period or prior period.

9 Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported in the statements 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. The gross and net positions of financial assets and liabilities that have been offset in the statements of financial position are disclosed in the first three columns of the following table:

	Effects of offsetting on the statements of financial position		Related amounts not offset in the statements of financial position		
	Gross amounts of financial assets/ (liabilities)	Gross amounts set off in the statements of financial position	Net amount of financial assets/ (liabilities) presented in the statements of financial position	Financial instruments (including non-cash collateral)	Net amounts
	\$	\$	\$	\$	\$
Dynamic Markets Fund					
As at 30 June 2020					
Financial assets - options	127,734	(30,455)	97,279	-	97,279
Financial liabilities - futures	42,801	(60,313)	(17,512)	-	(17,512)
Financial assets - foreign currency forward contracts	192,243	(155,801)	36,442	-	36,442
Total	362,778	(246,569)	116,209	-	116,209
As at 30 June 2019					
Financial assets - futures	193,236	(69,811)	123,425	-	123,425
Financial liabilities - foreign currency forward contracts	192,234	(207,650)	(15,417)	-	(15,417)
Total	385,470	(277,461)	108,008	-	108,008

10 Derivative financial instruments

Dynamic Markets Fund

In the normal course of business the Fund enters into transactions in certain derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

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

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and include:

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

10 Derivative financial instruments (continued)

The Fund holds the following derivatives:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set year, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Fund's use of options is limited to selling exchange-traded call options over indices or over equity securities held by the Fund.

(c) Forward currency contracts

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at the prevailing bid price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund's derivative financial instruments and contractual notional amounts, converted to Australian dollar at year end are detailed below:

Dynamic Markets Fund	Contractual/ notional \$	Assets \$	Liabilities \$
As at 30 June 2020			
Options	245,000	97,279	-
Futures	346,747	-	17,512
Foreign currency forward contracts	<u>28,297,297</u>	<u>36,442</u>	<u>-</u>
	28,889,044	133,721	17,512
As at 30 June 2019			
Futures	3,713,571	123,425	-
Foreign currency forward contracts	<u>65,662,335</u>	<u>-</u>	<u>15,417</u>
	69,375,906	123,425	15,417

11 Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the Funds. Audit fees were borne by the Responsible Entity.

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
KPMG						
Audit and review assurance services						
Audit and review of financial reports	4,982	4,982	4,982	4,982	7,529	7,529
Audit of compliance plan	1,230	1,230	1,230	1,230	1,230	1,230
Total remuneration for audit and other assurance services	6,212	6,212	6,212	6,212	8,759	8,759

12 Related party transactions

Responsible Entity

The Responsible Entity of the Funds is BetaShares Capital Ltd.

Key management personnel

The Funds do not employ personnel in their own right. However, the Funds are required to have an incorporated Responsible Entity to manage the activities and this is considered to be the key management personnel. The directors of the Responsible Entity, which are key management personnel of the Responsible Entity, during or since the end of the financial year are:

(a) Directors

Executive Directors:

David Nathanson (appointed 21 September 2009)
Alex Vynokur (appointed 21 September 2009)

Non-Executive Directors:

Thomas Park (appointed 12 August 2015, resigned 6 February 2020)
Young Hwan Kim (appointed 7 February 2020)
Jungho Rhee (appointed 1 September 2018)

(b) Other key management personnel

There were no other persons with responsibility for planning, directing and controlling the activities of the Funds, directly or indirectly during the year.

12 Related party transactions (continued)

(c) Related party Funds' unitholdings

AMP Capital Multi-Asset Fund holds 4,000,000 units (30 June 2019: 4,000,000) in Global Infrastructure Securities Fund and holds 4,000,000 units (30 June 2019: 4,000,000) in Global Property Securities Fund.

The tables below provide details in relation to the investment held by certain Funds in related parties for the relevant financial period:

Dynamic Markets Fund

Unitholder in the below fund: As at 30 June 2020	Number of units held opening Units	Number of units held closing Units	Fair value of investment \$	Interest held %	Number of units acquired Units	Number of units disposed Units	Distributions paid/payable by the Fund \$
BetaShares Australian Resources Sector ETF	-	56,663	338,845	0.54	344	287,762	10,612
BetaShares Australian Financials Sector ETF	105,179	-	-	-	6,734	111,913	-
Total	105,179	56,663	338,845	0.54	7,078	399,675	10,612

As at 30 June 2019

BetaShares Australian Resources Sector ETF	-	-	-	-	-	-	-
BetaShares Australian Financials Sector ETF	210,358	105,179	1,224,284	1.68	6,734	111,913	6,327
Total	210,358	105,179	1,224,284	1.68	6,734	111,913	6,327

No other parties related to the Funds (including BetaShares Capital Ltd, its related parties and other schemes managed by BetaShares Capital Ltd) held any units in the Funds for the year ended 30 June 2020.

(d) Responsible Entity fees and other transactions

The Responsible Entity's fees are calculated in accordance with the Funds' Constitutions. The Responsible Entity's fees comprise a management fee and expense recoveries (after taking account of GST and reduced input tax credits), which are calculated as a percentage of the net asset value of the Funds and are disclosed in the statements of comprehensive income. Performance fees may be payable equivalent to a percentage of the Funds' performance above the performance benchmark.

The following table discloses the Responsible Entity's fees for 30 June 2020 and 30 June 2019:

Fund	Management fee	expense recoveries	Performance fee
	%	%	%
Global Infrastructure Securities Fund	0.80	0.05	10.25
Global Property Securities Fund	0.97	0.02	-
Dynamic Markets Fund	0.48	0.03	15.38

A performance fee may be payable by certain Funds. The fee is calculated based on the relevant Funds' performance relative to its benchmark. The fee is calculated and accrued each business day. Provided the relevant Fund outperforms the benchmark for a performance fee period (quarter ending 31 March, 30 June, 30 September and 31 December), a performance fee may be payable.

The Responsible Entity pays AMP Capital Ltd a fee for its investment management services to the Funds out of its fees, at no additional cost to unitholders.

12 Related party transactions (continued)

(d) Responsible Entity fees and other transactions (continued)

The related party transactions during the year and amounts payable at year end were as follows:

	Global Infrastructure Securities Fund		Global Property Securities Fund		Dynamic Markets Fund	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	\$	\$	\$	\$	\$	\$
Management fees expensed to the Responsible Entity	265,144	193,940	228,237	166,254	77,782	133,524
Management fees payable to the Responsible Entity as at the reporting date	22,144	18,073	17,223	16,266	2,658	9,415
Performance fees expensed to the Responsible Entity	103,181	48,042	-	-	-	-
Performance fees payable to the Responsible Entity as at the reporting date	-	43,390	-	-	-	-
Expense recoveries expensed to the Responsible Entity	16,574	12,124	4,698	3,422	4,861	7,362
Expense recoveries payable to the Responsible Entity as at the reporting date	1,491	1,130	355	335	166	589

13 Events occurring after the reporting period

Since balance date, there continues to be uncertainty and volatility in the market due to the ongoing COVID-19 global pandemic. Management are closely monitoring and consider that there has been no material change in the assets & liabilities presented. No other significant events have occurred since the end of the reporting period which would impact on the financial position of the Funds disclosed in the statements of financial position as at 30 June 2020 or on the results and cash flows of the Funds for the year ended on that date.

14 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities or commitments as at 30 June 2020 (2019: nil).

Directors' declaration

BetaShares Capital Ltd present the Directors' Declaration in respect of the following funds:

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)
AMP Capital Dynamic Markets Fund (Hedge Fund)
AMP Capital Global Property Securities Fund (Unhedged) (Managed Fund)

In the opinion of the directors of BetaShares Capital Ltd, the Responsible Entity of the Funds:

- (a) the financial statements and notes set out on pages 6 to 33 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Funds' financial position as at 30 June 2020 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable; and
- (c) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the directors of BetaShares Capital Ltd.



David Nathanson
Director



Alex Vynokur
Director

Sydney
22 September 2020



Independent Auditor's Report

To the respective unitholders of the following Schemes:

AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund)

AMP Capital Global Property Securities Fund (Unhedged) (Managed Fund)

AMP Capital Dynamic Markets Fund (Hedge Fund)

For the purpose of this report, the term Scheme and Schemes denote the individual and distinct entity for which the financial information is prepared and upon which our audit is performed. Each is to be read as a singular subject matter.

Opinions

We have audited each of the **Financial Reports** of the Schemes.

In our opinion, the accompanying Financial Report of each Scheme is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of that Scheme's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the individual Schemes comprise:

- Statements of financial position as at 30 June 2020;
- Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and

- Directors' Declaration made by the Directors' of BetaShares Capital Limited (the Responsible Entity).

Basis for opinions

We conducted our audits 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 opinions.

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

We are independent of the Schemes and the Responsible Entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audits of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our respective audits of the Financial Reports of each Scheme in the current period.

These matters were addressed in the context of our audits of each of the Financial Reports as a whole, and in forming our opinions thereon, and we do not provide a separate opinion on these matters.

The **Key Audit Matter** we identified for each of the Schemes is:

- Valuation and existence of financial instruments.



Valuation and existence of financial instruments (AMP Capital Global Infrastructure Securities Fund (Unhedged) (Managed Fund) \$32,849,000, AMP Capital Global Property Securities Fund (Unhedged) (Managed Fund) \$20,804,000, AMP Capital Dynamic Markets Fund (Hedge Fund) \$5,501,124).

Refer to Note 6 to the Financial Report.

The Key Audit Matter

How the matter was addressed in our audits

Financial instruments at fair value through profit or loss comprise investments in listed securities and derivatives (“investments”).

The Scheme outsources certain processes and controls relevant to:

- Executing transactions as instructed by the Responsible Entity and recording and valuing investments to the Scheme administrator; recording and valuing investments to the Scheme administrator;
- Maintaining custody and underlying records of investments to the custodian;

Valuation and existence of investments is a key audit matter due to the:

Our procedures included:

- We assessed the appropriateness of the accounting policies applied by the Scheme, including those relevant to the fair value of investments, against the requirements of the accounting standards.
- We obtained and read the Scheme’s Service Provider’s ASAE 3402 *Assurance Reports on Controls at a Service Organisation* and GS007 *(Guidance Statement 007 Audit Implications of the Use of Service Organisations for Investment Management Services)* assurance reports to understand the processes and assess the controls relevant to the:
 - Scheme administrator – to execute transactions, record and value the Scheme’s investments;

- Size of the Scheme’s portfolio of investments. These investments represent a significant percentage of the Scheme’s total assets at year end; and
 - Importance of the performance of these investments in driving the Scheme’s investment income and capital performance, as reported in the Financial Report.
- As a result, this was the area with greatest effect on our overall audit strategy and allocation of resources in planning and performing our audit.
- Custodian – to maintain custody and underlying records of the Scheme’s investments;
 - We obtained and read the custodians bridging letter over the period not covered by the ASAE3402 and GS007 assurance reports. We have checked that there were no instances of non-compliance over controls in place at the service provider.
 - We assessed the reputation, professional competence and independence of the auditors of the ASAE 3402 and GS007 assurance reports.
 - We checked the existence of investments, being the ownership and quantity held to external sources such as independent confirmations for derivative investments as at 30 June 2020.
 - We checked the valuation of investments, as recorded in the general ledger, to independently sourced prices as at 30 June 2020.
 - We evaluated the Scheme’s disclosures of investments, using our understanding obtained from our testing, against the requirements of the accounting standards.



Other Information

Other Information is financial and non-financial information in the respective Scheme's annual reporting which is provided in addition to the Financial Reports and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

Our opinions on the Financial Reports do not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, 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 the Directors for the Financial Reports

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal controls 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 each Scheme'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 respective Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audits of the Financial Reports

Our objective is:

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

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 the Financial Reports.

A further description of our responsibilities for the audits of the Financial Reports is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our Auditor's Report.

KPMG

Nicholas Buchanan

Partner

Sydney

22 September 2020