

Australian Unity Diversified Managed Investment Schemes

Annual report For the year ended 30 June 2024

**AUFM Managed Fund No.1 (referred to as "Pro-D High Growth Fund")
ARSN 160 420 986**

**AUFM Managed Fund No.2 (referred to as "Pro-D Balanced Fund")
ARSN 160 421 063**

**AUFM Managed Fund No.3 (referred to as "Pro-D Growth Fund")
ARSN 160 421 161**

Australian Unity Diversified Managed Investment Schemes For the year ended 30 June 2024

Contents

	Page
Directors' report	2
Auditor's independence declaration	6
Statements of comprehensive income	7
Statements of financial position	8
Statements of changes in equity	9
Statements of cash flows	10
Notes to the financial statements	11
Directors' declaration	43
Independent auditor's report to the unitholders	44

**Australian Unity Diversified
Managed Investment Schemes
Directors' report
30 June 2024**

Directors' report

The directors of Australian Unity Funds Management Limited (ABN 60 071 497 115), the "Responsible Entity" of Australian Unity Diversified Managed Investment Schemes (the "Schemes"), listed below, present their reports together with the financial statements of the Schemes for the financial year ended 30 June 2024.

Scheme name	ARSN	Referred to as
AUFM Managed Fund No.1	160 420 986	Pro-D High Growth Fund
AUFM Managed Fund No.2	160 421 063	Pro-D Balanced Fund
AUFM Managed Fund No.3	160 421 161	Pro-D Growth Fund

Directors

The following persons were directors of the Responsible Entity during the whole of the year and up to the date of this report (unless otherwise stated):

Rohan Mead	Chairman and Group Managing Director
Esther Kerr	Group Executive, Wealth and Capital Markets
Darren Mann	Group Executive, Finance & Strategy and Chief Financial Officer

Principal activities

The Schemes invest in accordance with their investment policies, set out in their respective Product Disclosure Statements (PDS) and in accordance with the Schemes' Constitutions.

Australian Unity Funds Management Limited (AUFM) in conjunction with specialist asset allocation consultant Farrelly Research and Management Pty Ltd is responsible for determining the Schemes' asset class mix. AUFM is responsible for the selection and monitoring of the underlying investment managers.

The Schemes' actual asset allocation will vary from time to time however the Schemes typically invest in cash, Australian and international fixed interest, Australian shares, international shares and real assets such as property and infrastructure.

Review and results of operations

For the years ended 30 June 2024 and 30 June 2023 the Schemes posted total returns as follows¹:

	2024			2023		
	Total	Distribution	Growth	Total	Distribution	Growth
	Return	Return	Return	Return	Return	Return
	%	%	%	%	%	%
AUFM Managed Fund No.1 (Pro-D High Growth Fund)	12.77	4.08	8.69	12.31	5.94	6.37
AUFM Managed Fund No.2 (Pro-D Balanced Fund)	8.36	3.40	4.96	6.24	2.95	3.29
AUFM Managed Fund No.3 (Pro-D Growth Fund)	10.82	3.85	6.97	9.58	3.87	5.71

¹ The reported performance numbers and the reported unit prices (which are not audited) have been derived based on the declared unit prices calculated in accordance with the Responsible Entity's unit pricing policy and are not based on the net assets of these IFRS compliant financial statements.

**Australian Unity Diversified
Managed Investment Schemes
Directors' report
30 June 2024
(continued)**

Directors' Report (continued)

Review and results of operations (continued)

Unit prices (ex distribution) as at 30 June were as follows¹:

	2024	2023
Wholesale units	\$	\$
AUFM Managed Fund No.1 (Pro-D High Growth Fund)	1.2330	1.1344
AUFM Managed Fund No.2 (Pro-D Balanced Fund)	1.1589	1.1041
AUFM Managed Fund No.3 (Pro-D Growth Fund)	1.2520	1.1705

¹ The reported performance numbers and the reported unit prices (which are not audited) have been derived based on the declared unit prices calculated in accordance with the Responsible Entity's unit pricing policy and are not based on the net assets of these IFRS compliant financial statements.

The performance of the Schemes as represented by the results of operations, was as follows:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(loss) before finance costs attributable to unitholders	2,484	2,316	6,692	5,209	6,280	5,460
<i>Distributions</i>						
Distributions paid	118	154	616	792	408	461
Distributions payable	651	938	2,079	1,558	1,832	1,661
Distributions paid and payable	769	1,092	2,695	2,350	2,240	2,122

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of the affairs of the Schemes that occurred during the year, except those mentioned elsewhere in the report.

Events occurring after end of the year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the operations of the Schemes, the results of operations, or the state of the Schemes' affairs in future reporting periods, except those mentioned elsewhere in the report.

Likely developments and expected results of operations

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

Further information on likely developments in the operations of the Schemes 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 Schemes.

**Australian Unity Diversified
Managed Investment Schemes
Directors' report
30 June 2024
(continued)**

Directors' Report (continued)

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Schemes in regards to insurance cover provided to either the officers of Australian Unity Funds Management Limited or the auditors of the Schemes. So long as the officers of Australian Unity Funds Management Limited act in accordance with the Schemes' Constitutions and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Schemes against losses incurred while acting on behalf of the Schemes. The auditors of the Schemes are in no way indemnified out of the assets of the Schemes.

Fees paid to and interests held in the Schemes by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Schemes property during the year are disclosed in Note 14 to the financial statements.

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

The number of interests in the Schemes held by the Responsible Entity or its associates as at the end of the year are disclosed in Note 14 to the financial statements.

Units in the Schemes

The movement in units on issue in the Schemes during the year are disclosed in Note 5 to the financial statements.

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

Environmental regulation

The Schemes operations are not subject to any material environmental regulations under Australian law.

Rounding of amounts

The Schemes are entities of the kind referred to in *ASIC Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded to the nearest thousand dollars, where indicated.

Auditor's Independence Declaration

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

Related Schemes Reports

ASIC Corporations (Related Scheme Reports) Instrument 2015/839 allows the Financial Statements and the Directors' Report of related registered schemes to be presented in a single financial report. This financial report has been prepared in accordance with this relief.

**Australian Unity Diversified
Managed Investment Schemes
Directors' report
30 June 2024
(continued)**

Directors' Report (continued)

Signed in accordance with a resolution of the directors of Australian Unity Funds Management Limited.



Rohan Mead
Director



Esther Kerr
Director
20 September 2024



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

To the Directors of Australian Unity Funds Management Limited, the Responsible Entity for the following Schemes:

- AUFM Managed Fund No.1
- AUFM Managed Fund No.2
- AUFM Managed Fund No.3

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 2024 there have been:

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

KPMG

Chris Wooden

Partner

Melbourne

20 September 2024

**Australian Unity Diversified
Managed Investment Schemes
Statements of comprehensive income
For the year ended 30 June 2024**

Statements of comprehensive income

	Notes	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment income							
Interest income from financial assets at amortised cost	3	26	21	79	70	67	48
Interest income from financial assets at fair value through profit or loss	3	-	-	69	10	23	3
Distribution income	4	755	731	2,488	2,421	2,123	1,995
Net foreign exchange gains		-	3	-	-	-	2
Net gains on financial instruments at fair value through profit or loss		1,794	1,637	4,390	3,000	4,314	3,614
Other income		65	78	236	298	192	229
Total investment income		2,640	2,470	7,262	5,799	6,719	5,891
Expenses							
Management costs	13	152	152	557	583	429	426
Transaction and operating costs		4	2	13	7	10	5
Total expenses		156	154	570	590	439	431
Profit for the year		2,484	2,316	6,692	5,209	6,280	5,460
Other comprehensive income		-	-	-	-	-	-
Total comprehensive income attributable to unitholders		2,484	2,316	6,692	5,209	6,280	5,460

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

**Australian Unity Diversified
Managed Investment Schemes
Statements of financial position
As at 30 June 2024**

Statements of financial position

		AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
		2024	2023	2024	2023	2024	2023
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets							
Cash and cash equivalents	8	623	675	1,797	1,718	1,120	1,420
Receivables	11	511	407	1,198	924	1,440	993
Financial assets at fair value through profit or loss	9	20,068	19,695	82,796	80,907	62,309	57,853
Total assets		21,202	20,777	85,791	83,549	64,869	60,266
Liabilities							
Distributions payable	7	651	938	2,079	1,558	1,832	1,661
Payables	12	14	251	134	460	221	334
Total liabilities		665	1,189	2,213	2,018	2,053	1,995
Net assets attributable to unitholders - equity	6	20,537	19,588	83,578	81,531	62,816	58,271

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

**Australian Unity Diversified
Managed Investment Schemes
Statements of changes in equity
For the year ended 30 June 2024**

Statements of changes in equity

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Balance at the beginning of the year	19,588	18,049	81,531	85,748	58,271	58,447
Comprehensive income for the year						
Profit for the year	<u>2,484</u>	2,316	<u>6,692</u>	5,209	<u>6,280</u>	5,460
Total comprehensive income	<u>2,484</u>	2,316	<u>6,692</u>	5,209	<u>6,280</u>	5,460
Transactions with unitholders						
Applications	2,491	3,424	9,811	10,772	10,135	6,092
Redemptions	(3,373)	(3,611)	(12,522)	(18,634)	(9,828)	(9,843)
Units issued upon reinvestment of distributions	116	502	761	786	198	237
Distributions paid and payable	(769)	(1,092)	(2,695)	(2,350)	(2,240)	(2,122)
Total transactions with unitholders	<u>(1,535)</u>	(777)	<u>(4,645)</u>	(9,426)	<u>(1,735)</u>	-5,636
Balance at the end of the year	<u>20,537</u>	19,588	<u>83,578</u>	81,531	<u>62,816</u>	58,271

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

**Australian Unity Diversified
Managed Investment Schemes
Statements of cash flows
For the year ended 30 June 2024**

Statements of cash flow

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Proceeds from sales of financial instruments at fair value through profit or loss	3,794	2,778	20,175	29,566	13,912	11,907
Payments for purchase of financial instruments at fair value through profit or loss	(2,348)	(2,397)	(17,395)	(21,992)	(13,937)	(8,628)
Interest received	26	19	149	73	89	47
Distributions received	657	1,216	1,988	3,167	1,781	3,062
GST received	5	5	19	18	14	13
Other income received	65	79	237	301	192	230
Management costs paid	(159)	(157)	(578)	(607)	(444)	(442)
Transaction and operating costs paid	(4)	(2)	(13)	(7)	(10)	(5)
Net cash inflows from operating activities	2,036	1,541	4,582	10,519	1,597	6,184
	14 (a)					
Cash flows from financing activities						
Proceeds from applications by unitholders	2,461	3,423	9,756	10,888	9,915	6,111
Payments for redemptions by unitholders	(3,609)	(3,373)	(12,846)	(19,339)	(9,941)	(9,802)
Distributions paid to unitholders	(940)	(1,303)	(1,413)	(2,418)	(1,871)	(2,660)
Net cash outflows from financing activities	(2,088)	(1,253)	(4,503)	(10,869)	(1,897)	(6,351)
Net increase/(decrease) in cash and cash equivalents						
	(52)	288	79	(350)	(300)	(167)
Cash and cash equivalents at the beginning of the year	675	384	1,718	2,068	1,420	1,585
Effect of foreign currency exchange rate changes on cash and cash equivalents	-	3	-	-	-	2
Cash and cash equivalents at the end of the year	623	675	1,797	1,718	1,120	1,420
Non-cash operating and financing activities						
	141	533	1,040	1,186	315	391
	14 (b)					

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

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024**

Notes to the financial statements

	Page
1 General information	12
2 Summary of material accounting policies	12
3 Interest income	18
4 Distribution income	19
5 Auditor's remuneration	19
6 Net assets attributable to unitholders	20
7 Distributions to unitholders	21
8 Cash and cash equivalents	22
9 Financial assets at fair value through profit or loss	22
10 Financial risk management	23
11 Receivables	35
12 Payables	35
13 Related party transactions	35
14 Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities	42
15 Events occurring after end of year	42
16 Contingent assets and liabilities and commitments	42

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

1 General information

These financial statements covers the below funds (together the "Schemes"):

- AUFM Managed Fund No.1 (Pro-D High Growth Fund) was constituted on 18 September 2012.
- AUFM Managed Fund No.2 (Pro-D Balanced Fund) was constituted on 18 September 2012.
- AUFM Managed Fund No.3 (Pro-D Growth Fund) was constituted on 13 September 2012.

The Responsible Entity of the Schemes is Australian Unity Funds Management Limited (ABN 60 071 497 115) (the "Responsible Entity"), a wholly owned subsidiary of Australian Unity Limited (ABN 23 087 648 888). The Responsible Entity's registered office is Level 15, 271 Spring Street, Melbourne, VIC 3000.

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are for the financial year 1 July 2023 to 30 June 2024.

The financial statements were authorised for issue by the directors of the Responsible Entity on 20 September 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

The Schemes are for-profit entities for the purposes of preparing financial statements.

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 is 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 generally expected to be recovered or settled within 12 months, except for investments in financial assets and net assets attributable to unitholders.

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

(i) Compliance with Australian Accounting Standards and International Financial Reporting Standards

The financial statements of the Schemes comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board (AASB) and also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

These financial statements are presented in the local currency being Australian dollars.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

2 Summary of material accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New accounting standards and amendments adopted by the Schemes

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2023 that have a material impact on the amounts recognised in prior periods or will affect the current or future periods.

The application of the following amended accounting standards has no impact to the amounts reported in the Schemes' financial statements:
AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates

(iii) New accounting standards, amendments and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2024 reporting period and have not yet been applied in the financial statements. None of these are expected to have a material effect on the financial statements of the Schemes.

(b) Financial instruments

(i) Classification

- Financial Assets

The Schemes classify their investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Schemes' portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Schemes' documented investment strategy. The Schemes use fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Schemes' policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Equity securities, unlisted managed investment schemes and derivatives are measured at fair value through profit or loss.

For cash and cash equivalents and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial Liabilities

Derivative contracts that have a negative fair value are presented as financial liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost. This category includes short term payables.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

2 Summary of material accounting policies (continued)

(b) Financial instruments (continued)

(ii) Recognition/derecognition

The Schemes recognise financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Schemes retain the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' agreement; or
- the Schemes have transferred their rights to receive cash flows from the asset and either:
 - (a) have transferred substantially all the risks and rewards of the asset; or
 - (b) have neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Any gains or losses arising from derecognition of the asset (calculated as the difference between the disposal proceeds and the carrying amount of the asset) are included in the statements of comprehensive income in the year the asset is derecognised as realised gains or losses on financial instruments.

(iii) Measurement

At initial recognition, the Schemes recognise all financial instruments at fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the statements of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statements of comprehensive income in the period in which they arise.

- Fair value in an active market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the year without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

A financial instrument is regarded as quoted in 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.

The Schemes' financial instruments that are valued based on active markets generally include listed instruments, ranging from listed equities to listed unit trusts, where applicable.

- Fair value in an inactive or unquoted market

The fair value of financial assets and liabilities not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, 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 the 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.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

2 Summary of material accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

There may be a difference between the fair value at initial recognition and amounts determined using a valuation technique. If such a difference exists, the Schemes recognise the difference in the statements of comprehensive income to reflect a change in factors, including time, that market participants would consider in setting a price. This difference is recognised over time and only after initial recognition.

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts. Redemption value is adjusted where necessary.

The Schemes' financial instruments that are valued based on inactive or unquoted markets generally include unlisted instruments, ranging from investments in unlisted unit trusts, unlisted equity and/or debt securities to over the counter derivatives, where applicable.

(iv) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statements of financial position when and only when, there is currently 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.

As at the end of the year, there are no financial assets or liabilities offset or with the right to offset in the statements of financial position.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders.

The units can be put back to the Schemes at any time for cash based on the redemption price, which is equal to a proportionate share of the Schemes' net asset value attributable to the unitholders.

The units are carried at the redemption amount that is payable at balance sheet date if the holder exercises the right to put the units back to the Schemes. This amount represents the expected cash flows on redemption of these units.

The Schemes classifies the net assets attributable to unitholders as equity as they satisfy the following criteria under AASB 132 *Financial instruments: Presentation* :

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

(d) Cash and cash equivalents

For the purpose of presentation in the statements 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. Bank overdrafts, if any, are shown within borrowings in the statements of financial position.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as movements in the fair value of these securities represent the Schemes main income generating activity.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

2 Summary of material accounting policies (continued)

(e) Investment Income

Interest income and interest expenses are recognised in the statements of comprehensive income for all financial instruments on an accruals basis. Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b).

Trust distributions (including distributions from cash management trusts) are recognised on an entitlements basis.

Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at the end of the year and the fair value at the previous valuation point. Net gains/(losses) do not include interest, dividend or distribution income.

(f) Expenses

All expenses, including management costs, are recognised in the statements of comprehensive income on an accrual basis.

(g) Income tax

Under the current legislation, Schemes that have elected into the AMIT tax regime are not subject to income tax provided they attribute the entirety of their taxable income to their unitholders.

The Schemes currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded net of withholding taxes in the statements of comprehensive income.

(h) Distributions

Distributions are payable as set out in the Schemes' PDSs. Such distributions are determined by the Responsible Entity of the Schemes.

(i) Foreign currency translation

(i) Functional and presentation currency

Items included in the Schemes' 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 Schemes compete for funds and is regulated. The Australian dollar is also the Schemes' 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of comprehensive income.

The Schemes do not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(j) Receivables

Receivables are recognized for amounts where settlement has not yet occurred. Receivables are measured at amortized cost and are generally received within 30 days of being recognized as receivables. Given the short-term nature of most receivables, their carrying amounts approximate their fair values.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

2 Summary of material accounting policies (continued)

(j) Receivables (continued)

Impairment

The amount of the impairment loss is recognised in profit or loss within other 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 expenses in profit or loss. Given the limited exposure of the Schemes to credit risk, no material ECL has been recognised. The Schemes only hold receivables with no financing component and that have maturities of less than 12 months.

(k) Payables

Payables include liabilities and accrued expenses owing by the Schemes which are unpaid as at the end of the year.

Trades are recorded on trade date and normally settled within three business days. Purchases of financial instruments that are unsettled at the end of each year are included in payables.

The distribution amount payable to unitholders at the end of each year is recognised separately in the statements of financial position when unitholders are presently entitled to the distributable income under the Schemes' Constitutions.

(l) Applications and redemptions

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

Unit redemption prices are determined in accordance with the Schemes' Constitutions by reference to the net assets of the Schemes divided by the number of units on issue.

(m) Goods and services tax (GST)

Expenses of various services provided to the Schemes by third parties such as custodial services and investment management fees etc. are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the related expense or cost item. The Schemes qualify for Reduced Input Tax Credits (RITC) at a rate of 55%.

Accounts payable and receivable are stated inclusive of the GST receivable and payable. The net amount of GST recoverable from, or payable to, the taxation authority is included in receivables or payables in the statements of financial position.

Cash flows relating to GST are included in the statements of cash flows on a gross basis.

(n) Use of judgement and estimates

The preparation of the Schemes' financial statements requires them to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates 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.

The Schemes' financial instruments are valued primarily based on the prices provided by independent pricing services.

When the fair values of the reported financial instruments cannot be derived from active markets, they are determined using prices obtained from inactive or unquoted markets and/or other valuation techniques. The inputs to these valuation techniques (if applicable) are taken from observable markets to the extent practicable. Where observable inputs are not available, the inputs may be estimated based on a degree of judgements and assumptions in establishing fair values.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

2 Summary of material accounting policies (continued)

(n) Use of judgement and estimates (continued)

Where appropriate, the outcomes of the valuation techniques that are used in establishing fair values are validated using prices from observable current market transactions for similar instruments (without modification or repackaging) or based on relevant available observable market data.

The determination of what constitutes 'observable' requires significant judgement by the Schemes. The Schemes consider observable data to be market data that is readily available, regularly distributed or dated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

In addition, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates and judgements. 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, accounts payable and the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments.

(o) Structured entities

The Schemes have assessed whether the funds in which they invest should be classified as structured entities. The Schemes 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 Schemes have also considered 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 Schemes have concluded that the funds in which they invest in are structured entities, and therefore are not consolidated.

(p) Rounding of amounts

The Schemes are of a kind referred to in ASIC *Corporations Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars, where indicated.

3 Interest income

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fixed interest securities	-	-	69	10	23	3
Cash and deposits	26	21	79	70	67	48
Total interest income	26	21	148	80	90	51

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

4 Distribution income

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Listed unit trusts	123	86	256	180	246	173
Unlisted managed investment schemes	632	645	2,232	2,241	1,877	1,822
Total distribution income	755	731	2,488	2,421	2,123	1,995

5 Auditor's remuneration

The auditor's remuneration is paid directly by the Responsible Entity.

During the year the following fees were paid or payable for services provided by the auditor of the Schemes:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$	2023 \$	2024 \$	2023 \$	2024 \$	2023 \$
Audit services - KPMG (2023: PwC)						
Audit and review of financial statements	16,889	13,000	16,889	16,200	16,889	16,200
Audit of compliance plan	3,000	4,917	3,000	4,917	3,000	4,917
Total auditor's remuneration	19,889	17,917	19,889	21,117	19,889	21,117

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

6 Net assets attributable to unitholders

As stipulated within the Schemes' Constitutions, each unit represents a right to an individual share in the Schemes and does not extend to a right in the underlying assets of the Schemes. There are no separate classes of units and each unit has the same rights attaching to it as all other units in the Schemes.

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

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)				AUFM Managed Fund No.2 (Pro-D Balanced Fund)			
	2024 No. '000	2023 No. '000	2024 \$'000	2023 \$'000	2024 No. '000	2023 No. '000	2024 \$'000	2023 \$'000
Opening balance	17,300	16,974	19,588	18,049	74,025	80,381	81,531	85,748
Applications	2,129	3,045	2,491	3,424	8,608	9,818	9,811	10,772
Redemptions	(2,846)	(3,189)	(3,373)	(3,611)	(11,052)	(16,907)	(12,522)	(18,634)
Units issued upon reinvestment of distributions	102	470	116	502	681	733	761	786
Distributions to unitholders	-	-	(769)	(1,092)	-	-	(2,695)	(2,350)
Profit for the year	-	-	2,484	2,316	-	-	6,692	5,209
Closing Balance	16,685	17,300	20,537	19,588	72,262	74,025	83,578	81,531

	AUFM Managed Fund No.3 (Pro-D Growth Fund)			
	2024 No. '000	2023 No. '000	2024 \$'000	2023 \$'000
Opening balance	49,895	52,906	58,271	58,447
Applications	8,263	5,266	10,135	6,092
Redemptions	(8,056)	(8,490)	(9,828)	(9,843)
Units issued upon reinvestment of distributions	167	213	198	237
Distributions to unitholders	-	-	(2,240)	(2,122)
Profit for the year	-	-	6,280	5,460
Closing Balance	50,269	49,895	62,816	58,271

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024**

(continued)

6 Net assets attributable to unitholders (continued)

Units are redeemed on demand at the unitholder's option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

Capital risk management

The Schemes consider their net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Schemes are subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption.

Daily applications and redemptions are reviewed relative to the liquidity of the Schemes' underlying assets on a daily basis by the Responsible Entity. Under the terms of the Schemes' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unitholders.

7 Distributions to unitholders

The distributions for the year were as follows:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)				AUFM Managed Fund No.2 (Pro-D Balanced Fund)				AUFM Managed Fund No.3 (Pro-D Growth Fund)			
	2024 \$'000	2024 CPU	2023 \$'000	2023 CPU	2024 \$'000	2024 CPU	2023 \$'000	2023 CPU	2024 \$'000	2024 CPU	2023 \$'000	2023 CPU
Distribution paid												
- 31 December	118	0.6784	154	0.8500	616	0.8506	792	1.0000	409	0.8192	461	0.9000
Distribution payable												
- 30 June	651	3.9021	938	5.4206	2,079	2.8765	1,558	2.1052	1,831	3.6436	1,661	3.3286
Total distributions	769		1,092		2,695		2,350		2,240		2,122	

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

8 Cash and cash equivalents

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash at bank	25	51	36	79	25	82
Cash management trusts	598	624	1,761	1,639	1,095	1,338
Total cash and cash equivalents	623	675	1,797	1,718	1,120	1,420

9 Financial assets at fair value through profit or loss

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fixed interest bonds	-	-	-	4,313	-	1,438
Listed unit trusts	4,482	3,551	12,579	8,760	12,610	8,621
Unlisted managed investment schemes	15,586	16,144	70,217	67,834	49,699	47,794
Total financial assets at fair value through profit or loss	20,068	19,695	82,796	80,907	62,309	57,853

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 11.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management

(a) Objectives, strategies, policies and processes

The Schemes' activities may expose them to a variety of financial risks: market risk (including price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Schemes' overall risk management program focuses on ensuring compliance with the Schemes' disclosure documents and seeks to maximise the returns derived for the level of risk to which the Schemes 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 Schemes use different methods to measure different types of risk to which they are exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ratings analysis for credit risk.

As part of their risk management strategy, the Schemes may use derivatives and other investments, including bond futures, interest rate swaps and forward currency contracts, to manage exposures resulting from changes in interest rates, foreign currencies, equity price risks and exposures arising from forecast transactions.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: price risk, foreign currency risk and interest rate risk. Market risk is managed and monitored using sensitivity analysis and minimised through ensuring that all investment activities are undertaken in accordance with established mandates and investment strategies.

The market risk disclosures are prepared on the basis of the Schemes' direct investments and not on a look through basis for investments held in the Schemes.

The sensitivity of the Schemes' net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) to price risk, foreign exchange risk and interest rate risk is measured by the reasonably possible movements approach. This approach is determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates and foreign exchange rates, historical correlation of the Schemes' investments with the relevant benchmarks and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Schemes invest. As a result, historic variations in the risk variables are not a definitive indicator of future variations in the risk variables.

The overall market exposures at year end were as follows:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Securities at fair value through profit or loss	20,068	19,695	82,796	80,907	62,309	57,853

(i) Price risk

Price risk is the risk that the fair value or future cash flows of equities will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

Price risk exposure arises from the Schemes' investment portfolio. The investments are classified on the statements of financial position as at fair value through profit or loss. All securities investments present a risk of loss of capital. Except for equities sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. Possible losses from equities sold short can be unlimited.

The Investment Manager mitigates this price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the Board.

The Schemes' overall market positions are monitored on a regular basis by the Schemes' Investment Manager. This information and the compliance with the Schemes' disclosure documents are reported to the relevant parties on a regular basis as deemed appropriate such as key management personnel, compliance committees and ultimately the Board.

If the managed investment Schemes' prices had increased/(decreased) by the percentage indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Impact on net assets attributable to unitholders						
Securities prices 2024: +14.1% (2023: +14.0%)	2,830	2,757	11,674	10,723	8,786	7,898
Securities prices 2024: -14.1% (2023: -14.0%)	(2,830)	(2,757)	(11,674)	(10,723)	(8,786)	(7,898)

(ii) Foreign exchange risk

There was no significant direct foreign exchange risk in the Schemes as at 30 June 2024 (2023: Nil).

(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.

The Schemes' interest bearing financial assets and financial liabilities expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The Schemes have established limits on investments in interest bearing assets, which are monitored on a daily basis. The Schemes may use derivatives to hedge against unexpected increases in interest rates and/or multiple rollover dates for debt instruments to manage repricing risk. The interest rate risk is measured using sensitivity analysis.

In accordance with the Schemes' policy, the Investment Manager monitors the Schemes' overall interest sensitivity on a regular basis. This information and the compliance with the Schemes' policy are reported to the relevant parties on a regular basis as deemed appropriate such as key management personnel, compliance committees and ultimately the Board.

The Schemes have direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain entities in which the Schemes invest and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis may not fully indicate the total effect on the Schemes' net assets attributable to unitholders of future movements in interest rates.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

The table below summarises the Schemes' exposure to interest rate risks. It includes the Schemes' assets and liabilities at fair values, categorised by the maturity dates:

	2024							2023						
	Floating Interest rate \$'000	3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000	Floating Interest rate \$'000	3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000
	AUFM Managed Fund No.1 (Pro-D High Growth Fund)													
Assets														
Cash and cash equivalents	623	-	-	-	-	-	623	675	-	-	-	-	-	675
Receivables	-	-	-	-	-	511	511	-	-	-	-	-	407	407
Financial assets at fair value through profit or loss														
Listed unit trusts	-	-	-	-	-	4,482	4,482	-	-	-	-	-	3,551	3,551
Unlisted managed investment schemes	-	-	-	-	-	15,586	15,586	-	-	-	-	-	16,144	16,144
Total assets	623	-	-	-	-	20,579	21,202	675	-	-	-	-	20,102	20,777
Liabilities														
Distributions payable	-	-	-	-	-	651	651	-	-	-	-	-	938	938
Payables	-	-	-	-	-	14	14	-	-	-	-	-	251	251
Total liabilities	-	-	-	-	-	665	665	-	-	-	-	-	1,189	1,189
Net assets attributable to unitholders	623	-	-	-	-	19,914	20,537	675	-	-	-	-	18,913	19,588

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

	AUFM Managed Fund No.2 (Pro-D Balanced Fund)													
	2024							2023						
	Floating interest rate \$'000	3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Assets														
Cash and cash equivalents	1,797	-	-	-	-	-	1,797	1,718	-	-	-	-	-	1,718
Receivables	-	-	-	-	-	1,198	1,198	-	-	-	-	-	924	924
Financial assets at fair value through profit or loss														
Fixed interest bonds	-	-	-	-	-	-	-	-	-	-	4,313	-	-	4,313
Listed unit trusts	-	-	-	-	-	12,579	12,579	-	-	-	-	-	8,760	8,760
Unlisted managed investment schemes	-	-	-	-	-	70,217	70,217	-	-	-	-	-	67,834	67,834
Total assets	1,797	-	-	-	-	83,994	85,791	1,718	-	-	4,313	-	77,518	83,549
Liabilities														
Distributions payable	-	-	-	-	-	2,079	2,079	-	-	-	-	-	1,558	1,558
Payables	-	-	-	-	-	134	134	-	-	-	-	-	460	460
Total liabilities	-	-	-	-	-	2,213	2,213	-	-	-	-	-	2,018	2,018
Net assets attributable to unitholders	1,797	-	-	-	-	81,781	83,578	1,718	-	-	4,313	-	75,500	81,531

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

	AUFM Managed Fund No.3 (Pro-D Growth Fund)													
	2024							2023						
	Floating interest rate \$'000	3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000	Floating interest rate \$'000	3 months or less \$'000	4 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000	Non- interest bearing \$'000	Total \$'000
Assets														
Cash and cash equivalents	1,120	-	-	-	-	-	1,120	1,420	-	-	-	-	-	1,420
Receivables	-	-	-	-	-	1,440	1,440	-	-	-	-	-	993	993
Financial assets at fair value through profit or loss														
Fixed interest bonds	-	-	-	-	-	-	-	-	-	-	1,438	-	-	1,438
Listed unit trusts	-	-	-	-	-	12,610	12,610	-	-	-	-	-	8,621	8,621
Unlisted managed investment schemes	-	-	-	-	-	49,699	49,699	-	-	-	-	-	47,794	47,794
Total assets	1,120	-	-	-	-	63,749	64,869	1,420	-	-	1,438	-	57,408	60,266
Liabilities														
Distributions payable	-	-	-	-	-	1,832	1,832	-	-	-	-	-	1,661	1,661
Payables	-	-	-	-	-	221	221	-	-	-	-	-	334	334
Total liabilities	-	-	-	-	-	2,053	2,053	-	-	-	-	-	1,995	1,995
Net assets attributable to unitholders	1,120	-	-	-	-	61,696	62,816	1,420	-	-	1,438	-	55,413	58,271

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest rate risk (continued)

Should interest rates have increased/(decreased) by the basis points indicated below, with all other variables held constant, the net assets attributable to unitholders (and profit/(loss) before finance costs attributable to unitholders) would have changed by the following amounts, approximately and respectively:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Impact on net assets attributable to unitholders						
Interest rates: +0.76% (2023: +0.7%)	-	-	-	(94)	-	48
Interest rates: -0.76% (2023: -0.7%)	-	-	-	94	-	48

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk primarily arises from cash and cash equivalents and deposits with banks and other financial institutions.

With respect to credit risk arising from the financial assets of the Schemes, other than derivatives, the Schemes' exposure to credit risk arises from default of the counterparty, with the current exposure equal to the fair value of these investments as disclosed in the statements of financial position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the current maximum exposure at the end of the year.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values.

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 of the securities has been received by the broker. The trade will fail if either party fails to meet its obligations.

The Schemes hold no collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

Counterparty credit limits and the list of authorised brokers are reviewed by the relevant parties within the Responsible Entity on a regular basis as deemed appropriate.

In accordance with the Schemes' policy, the Investment Manager monitors the Schemes' credit position on a regular basis. This information and the compliance with the Schemes' policy are reported to the relevant parties on a regular basis as deemed appropriate such as key management personnel, compliance committees and ultimately the Board.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(c) Credit risk (continued)

Credit quality per class of instrument

The credit quality of financial assets is managed by the Schemes using Standard & Poor's rating categories, in accordance with the investment mandate of the Schemes. The Schemes' exposure in each grade is monitored on a daily basis. This review process allows the Responsible Entity to assess the potential loss as a result of risks and take corrective action.

The table below shows the credit quality by class of assets:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australian debt securities rating						
AAA	-	-	-	2,916	-	972
AA+	-	-	-	1,397	-	466
Total	-	-	-	4,313	-	1,438

(d) Concentrations of risk

Concentrations of risk arise when a number of financial instruments are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic conditions. These similarities would cause the counterparties' liabilities to meet the contractual obligations to be similarly affected by certain changes in the risk variables.

The concentrations of risk are monitored by the Investment Manager to ensure they are within acceptable limits by reducing the exposures or by other means as deemed appropriate.

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives. The Schemes did not hold any debt instruments or derivatives as at 30 June 2024 (2023: Nil).

The Schemes have disclosed the most significant industry sectors by concentration of risk. "Other" represents multiple counterparties by concentration of risk which individually are of lesser significance.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(d) Concentrations of risk (continued)

Based on the concentrations of risk that are managed by industry sector and/or counterparty, the following investments can be analysed by the industry sector and/or counterparty as at 30 June 2024 and 30 June 2023:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Unlisted managed investment schemes - fixed interest	427	412	40,524	35,150	14,929	12,151
Unlisted managed investment schemes - equity	13,595	13,907	22,811	24,854	30,013	30,106
Unlisted managed investment schemes - property	1,564	1,825	6,882	7,830	4,756	5,537
Listed managed investment schemes - other	4,482	3,551	12,579	8,760	12,611	8,621
Government Bonds	-	-	-	4,313	-	1,438
Total	20,068	19,695	82,796	80,907	62,309	57,853

(e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This risk is controlled through the Schemes' investment in financial instruments which under normal market conditions are readily convertible to cash. In addition, the Schemes maintain sufficient cash and cash equivalents to meet normal operating requirements.

The Schemes may be exposed to daily cash redemptions of redeemable units and daily margin calls on derivatives. It therefore primarily holds investments that are traded in active markets and can be readily disposed of.

The Schemes' investments may include listed securities that are considered readily realisable, as they are listed on recognised stock exchanges.

The Schemes may, from time to time, invest in derivative contracts traded over the counter, which are not traded in an organised market and may be illiquid. As a result, the Schemes may not be able to liquidate quickly 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. No such investments were held at the end of the year (2023: Nil).

The Schemes' policy is to hold a significant proportion of its investments in liquid assets.

Under the terms of their Constitutions, the Schemes have the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Units are redeemed on demand at the unitholders option. However, the Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(e) Liquidity risk (continued)

In accordance with the Schemes' policy, the Investment Manager monitors the Schemes' liquidity position on a regular basis. This information and the compliance with the Schemes' policy are reported to the relevant parties on a regular basis as deemed appropriate such as key management personnel, compliance committees and ultimately the Board.

Maturity analysis for financial liabilities

The table below summarises the maturity profile of the Schemes' financial liabilities, redeemable units and derivative financial instruments on the remaining period at the end of the year to

The Schemes' non-derivative financial liabilities in the table are the contractual undiscounted cash flows and the Schemes' derivative financial instruments in the table are net fair values, based on the amounts at which an orderly settlement of the transactions would take place between market participants at the reporting date.

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)							
	2024				2023			
	Under 1 month \$'000	1-3 months \$'000	3-12 months \$'000	Over 12 months \$'000	Under 1 month \$'000	1-3 months \$'000	3-12 months \$'000	Over 12 months \$'000
Financial liabilities:								
Distributions payable	651	-	-	-	938	-	-	-
Payable	14	-	-	-	251	-	-	-
Total financial liabilities	665	-	-	-	1,189	-	-	-

	AUFM Managed Fund No.2 (Pro-D Balanced Fund)							
	2024				2023			
	Under 1 month \$'000	1-3 months \$'000	3-12 months \$'000	Over 12 months \$'000	Under 1 month \$'000	1-3 months \$'000	3-12 months \$'000	Over 12 months \$'000
Financial liabilities:								
Distributions payable	2,079	-	-	-	1,558	-	-	-
Payable	134	-	-	-	460	-	-	-
Total financial liabilities	2,213	-	-	-	2,018	-	-	-

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(e) Liquidity risk (continued)

	AUFM Managed Fund No.3 (Pro-D Growth Fund)							
	2024				2023			
	Under 1 month \$'000	1-3 months \$'000	3-12 months \$'000	Over 12 months \$'000	Under 1 month \$'000	1-3 months \$'000	3-12 months \$'000	Over 12 months \$'000
Financial liabilities								
Distributions payable	1,832	-	-	-	1,661	-	-	-
Payable	221	-	-	-	334	-	-	-
Total financial liabilities	2,053	-	-	-	1,995	-	-	-

As disclosed above, the Investment Manager manages the Schemes' liquidity risk by investing predominantly in liquid assets that it expects to be able to liquidate within seven days or less. Liquid assets include cash and cash equivalents and listed unit trusts. As at the year end, these assets amounted to:

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Cash	24,612	50,815	36,015	78,600	25,000	82,055
Cash management trusts	597,738	623,674	1,760,902	1,639,360	1,094,763	1,337,923
Listed unit trusts	4,482,257	3,550,598	12,578,940	8,760,164	12,610,082	8,621,285
Total liquid assets	5,104,607	4,225,088	14,375,857	10,478,124	13,729,845	10,041,263

Investment in the Australian Unity Wholesale Cash Fund is included in the liquid assets of the Schemes above.

(f) Estimation of fair values of financial assets and liabilities

The carrying amounts of all the Schemes' financial assets and financial liabilities at the end of the year approximated their fair values.

The Schemes value its investments in accordance with the accounting policies set out in Note 2.

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(g) Fair value hierarchy

The Schemes are required to classify fair value measurements 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: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset and liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liabilities that are not based on observable market data (that is, unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes "observable" requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be the market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

The table below sets out the Schemes' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy at the reporting date.

All fair value measurements disclosed are recurring fair value measurements.

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)							
	2024				2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Listed unit trusts	4,482	-	-	4,482	3,551	-	-	3,551
Unlisted managed investment schemes	-	15,586	-	15,586	-	16,144	-	16,144
Total financial assets	4,482	15,586	-	20,068	3,551	16,144	-	19,695

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

10 Financial risk management (continued)

(g) Fair value hierarchy (continued)

	AUFM Managed Fund No.2 (Pro-D Balanced Fund)							
	2024				2023			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Listed unit trusts	12,579	-	-	12,579	8,760	-	-	8,760
Unlisted managed investment schemes	-	70,217	-	70,217	-	67,834	-	67,834
Fixed interest bonds	-	-	-	-	-	4,313	-	4,313
Total financial assets	12,579	70,217	-	82,796	8,760	72,147	-	80,907

	AUFM Managed Fund No.3 (Pro-D Growth Fund)							
	2024				2023			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets								
Listed unit trusts	12,610	-	-	12,610	8,621	-	-	8,621
Unlisted managed investment schemes	-	49,699	-	49,699	-	47,794	-	47,794
Fixed interest bonds	-	-	-	-	-	1,438	-	1,438
Total financial assets	12,610	49,699	-	62,309	8,621	49,232	-	57,853

The pricing for the majority of the Schemes' investments is generally sourced from independent pricing sources, the relevant Investment Managers or reliable brokers' quotes.

Investments whose values are based on quoted market prices in active markets, e.g. recognised stock exchanges and therefore classified within level 1, include active listed equities and

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. The observable inputs include prices and/or those derived from prices. The level 2 instruments include but are not limited to investment grade corporate bonds and over the counter derivatives.

The Schemes' policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the year. There were no transfers between levels 1, 2 and 3 of the fair value hierarchy during the year (30 June 2023: Nil).

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

11 Receivables

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Distributions receivable	470	397	1,064	843	1,190	965
Interest receivable	2	2	6	7	5	4
GST receivable	2	1	5	5	4	3
Applications receivable	31	1	102	47	223	3
Other receivables	6	6	21	22	18	18
Total receivables	511	407	1,198	924	1,440	993

12 Payables

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Management costs payable	12	13	46	48	35	35
Redemptions payable	2	238	88	412	186	299
Total payables	14	251	134	460	221	334

13 Related party transactions

Responsible Entity

The Responsible Entity of AUFM Managed Fund No.1 is Australian Unity Funds Management Limited (ABN 60 071 497 115) whose immediate and ultimate Parent Entity is Australian Unity Limited

Key management personnel

(a) Directors

Key management personnel include persons who are directors of Australian Unity Funds Management Limited at any time during the year are as follows:

Rohan Mead	Chairman and Group Managing Director
Esther Kerr	Group Executive, Wealth and Capital Markets
Darren Mann	Group Executive, Finance & Strategy and Chief Financial Officer

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

13 Related party transactions (continued)

(b) Other key management personnel

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

(c) Remuneration

No payments were made from the fund to the directors for the year ended 30 June 2024.

Other transactions within the Schemes

From time to time directors of Australian Unity Funds Management Limited, or their director related entities, may invest in or withdraw from the Schemes. These investments or withdrawals are on the same terms and conditions as those entered into by other Schemes investors and are considered to be immaterial in nature.

Management costs and other transactions

Management costs include management fees and other expenses or reimbursements deducted in relation to the Schemes, but do not include transactional and operational costs such as brokerage. Management costs are not paid directly by the unitholders of the Schemes.

Administration expenses incurred in the day to day running of the Schemes are reimbursed in accordance with the Schemes' Constitutions.

The transactions during the year and amounts payable at year end between the Schemes and the Responsible Entity were as follows:

	AUFM Managed Fund (Pro-D High Growth)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024	2023	2024	2023	2024	2023
	\$	\$	\$	\$	\$	\$
Management costs for the year paid by the Schemes to the Responsible Entity	151,579	152,142	556,737	582,990	428,651	425,509
Management costs paid to the Responsible Entity in respect of investments by the Schemes in other schemes managed by the Responsible Entity	65,183	78,255	235,695	298,236	191,848	228,845
Management costs payable to the Responsible Entity at the end of the year	12,380	12,924	45,740	47,945	35,149	34,867

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

13 Related party transactions (continued)

Related party schemes' unitholding

Parties related to the Schemes (including Australian Unity Funds Management Limited, its related parties and other schemes managed by Australian Unity Funds Management Limited) held units in the Schemes as follows:

AUFM Managed Fund No.1 (Pro-D High Growth Fund)							
2024 Unitholder	No. of units held opening	No. of units held closing	Fair value of investment \$²	Interest held %	No. of units acquired	No. of units disposed	Distributions paid/payable \$
Lifeplan Australia Friendly Society Limited	1,142,750	1,202,311	1,527,776	7.21	292,069	(232,508)	55,579
	<u>1,142,750</u>	<u>1,202,311</u>	<u>1,527,776</u>	<u>7.21</u>	<u>292,069</u>	<u>(232,508)</u>	<u>55,579</u>
2023 Unitholder	No. of units held opening	No. of units held closing	Fair value of investment \$²	Interest held %	No. of units acquired	No. of units disposed	Distributions paid/payable \$
Lifeplan Australia Friendly Society Limited	846,942	1,142,750	1,356,901	6.61	361,008	(65,200)	70,611
	<u>846,942</u>	<u>1,142,750</u>	<u>1,356,901</u>	<u>6.61</u>	<u>361,008</u>	<u>(65,200)</u>	<u>70,611</u>
AUFM Managed Fund No.2 (Pro-D Balanced Fund)							
2024 Unitholders	No. of units held opening	No. of units held closing	Fair value of investment \$²	Interest held %	No. of units acquired	No. of units disposed	Distributions paid/payable \$
AUI Funeral Plan Bond Fund	21,965,739	26,911,904	31,930,974	37.24	5,464,670	(518,505)	982,765
Lifeplan Australia Friendly Society Limited	1,130,262	1,785,279	2,118,235	2.47	1,069,975	(414,958)	65,909
	<u>23,096,001</u>	<u>28,697,183</u>	<u>34,049,209</u>	<u>39.71</u>	<u>6,534,645</u>	<u>(933,463)</u>	<u>1,048,674</u>
2023 Unitholders	No. of units held opening	No. of units held closing	Fair value of investment \$²	Interest held %	No. of units acquired	No. of units disposed	Distributions paid/payable \$
AUI Funeral Plan Bond Fund	15,462,971	21,965,739	24,691,687	29.67	6,866,468	(363,700)	652,122
Lifeplan Australia Friendly Society Limited	1,053,151	1,130,262	1,270,528	1.53	99,429	(22,318)	34,903
	<u>16,516,122</u>	<u>23,096,001</u>	<u>25,962,215</u>	<u>31.20</u>	<u>6,965,897</u>	<u>(386,018)</u>	<u>687,025</u>

² Fair value of investment includes accrued distribution at the end of the year

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

13 Related party transactions (continued)

Related party schemes' unitholding (continued)

		AUFM Managed Fund No.3 (Pro-D Growth Fund)						
2024		No. of units held opening	No. of units held closing	Fair value of investment \$²	Interest held %	No. of units acquired	No. of units disposed	Distributions paid/payable \$
Unitholder								
	Lifeplan Australia Friendly Society Limited	<u>1,801,086</u>	<u>3,541,540</u>	<u>4,558,670</u>	<u>7.05</u>	<u>1,804,710</u>	<u>(64,256)</u>	<u>151,105</u>
		<u>1,801,086</u>	<u>3,541,540</u>	<u>4,558,670</u>	<u>7.05</u>	<u>1,804,710</u>	<u>(64,256)</u>	<u>151,105</u>
2023								
	Lifeplan Australia Friendly Society Limited	<u>1,536,419</u>	<u>1,801,086</u>	<u>2,165,986</u>	<u>3.61</u>	<u>389,575</u>	<u>(124,908)</u>	<u>75,454</u>
		<u>1,536,419</u>	<u>1,801,086</u>	<u>2,165,986</u>	<u>3.61</u>	<u>389,575</u>	<u>(124,908)</u>	<u>75,454</u>

² Fair value of investment includes accrued distribution at the end of the year

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

13 Related party transactions (continued)

Investments

The Schemes held investments in the following schemes which are also managed by Australian Unity Funds Management Limited or its related parties.

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)						
	No. of units held opening	No. of units held closing	Fair value of investment \$ ²	Interest held %	No. of units acquired	No. of units disposed	Distributions received/ receivable \$
2024							
Platypus Australian Equities Fund	320,544	197,535	321,507	0.14	-	(123,009)	2,777
Australian Unity Property Income Fund	549,020	225,934	199,183	0.08	-	(323,086)	18,015
Australian Unity Wholesale Cash Fund	623,674	597,738	599,840	0.13	4,205,152	(4,231,088)	23,392
Australian Unity Healthcare Property Trust	248,858	258,841	621,684	0.03	9,983	-	25,368
	<u>1,742,096</u>	<u>1,280,048</u>	<u>1,742,214</u>		<u>4,215,135</u>	<u>(4,677,183)</u>	<u>69,552</u>
2023							
	No. of units held opening	No. of units held closing	Fair value of investment \$ ²	Interest held %	No. of units acquired	No. of units disposed	Distributions received/ receivable \$
Platypus Australian Equities Fund	581,806	320,544	459,082	0.20	-	(261,262)	24,498
Australian Unity Property Income Fund	658,167	549,020	497,303	0.17	-	(109,147)	31,092
Australian Unity Wholesale Cash Fund	377,136	623,674	625,340	0.20	5,860,036	(5,613,498)	19,612
Australian Unity Healthcare Property Trust	385,022	248,858	682,146	0.03	23,836	(160,000)	28,090
	<u>2,002,131</u>	<u>1,742,096</u>	<u>2,263,871</u>		<u>5,883,872</u>	<u>(6,143,907)</u>	<u>103,292</u>

² Fair value of investment includes accrued distribution at the end of the year

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

**13 Related party transactions (continued)
Investments (continued)**

	AUFM Managed Fund No.2 (Pro-D Balanced Fund)						
	No. of units held opening	No. of units held closing	Fair value of investment \$ ²	Interest held %	No. of units acquired	No. of units disposed	Distributions received/ receivable \$
2024							
Altius Sustainable Short Term Income Fund - Ordinary	4,627,442	3,551,759	3,573,780	0.89	3,758,229	(4,833,912)	159,465
Platypus Australian Equities Fund	496,404	427,248	695,389	0.30	-	(69,156)	5,568
Australian Unity Property Income Fund	2,379,290	922,556	813,325	0.32	-	(1,456,734)	76,684
Australian Unity Wholesale Cash Fund	1,639,360	1,760,902	1,760,902	0.40	19,700,947	(19,579,405)	75,044
Australian Unity Healthcare Property Trust	1,137,221	1,182,839	2,840,943	0.15	45,618	-	115,927
	10,279,717	7,845,304	9,684,339		23,504,794	(25,939,207)	432,688

	AUFM Managed Fund No.2 (Pro-D Balanced Fund)						
	No. of units held opening	No. of units held closing	Fair value of investment \$ ²	Interest held %	No. of units acquired	No. of units disposed	Distributions received/ receivable \$
2023							
Altius Sustainable Short Term Income Fund - Ordinary	10,157,003	4,627,442	4,610,320	0.94	4,809,514	(10,339,075)	240,754
Platypus Australian Equities Fund	1,241,296	496,404	710,950	0.30	-	(744,892)	39,463
Australian Unity Property Income Fund	3,130,067	2,379,290	2,155,161	0.74	-	(750,777)	147,559
Australian Unity Wholesale Cash Fund	2,084,337	1,639,360	1,639,360	0.53	29,445,118	(29,890,095)	67,239
Australian Unity Healthcare Property Trust	1,683,019	1,137,221	3,117,238	0.13	102,457	(648,255)	127,523
	18,295,722	10,279,717	12,233,029		34,357,089	(42,373,094)	622,539

² Fair value of investment includes accrued distribution at the end of the year

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

**13 Related party transactions (continued)
Investments (continued)**

2024	AUFM Managed Fund No.3 (Pro-D Growth Fund)						
	No. of units held opening	No. of units held closing	Fair value of investment \$ ²	Interest held %	No. of units acquired	No. of units disposed	Distributions received/ receivable \$
Platypus Australian Equities Fund	1,616,622	1,012,999	1,648,756	0.71	-	(603,623)	15,109
Australian Unity Property Income Fund	1,628,802	675,062	595,134	0.23	-	(953,740)	54,381
Australian Unity Wholesale Cash Fund	1,337,923	1,094,763	1,094,763	0.25	15,218,197	(15,461,357)	62,648
Altius Sustainable Short Term Income Fund - Ordinary	1,729,273	1,108,845	1,115,720	0.28	2,987,773	(3,608,201)	35,296
Australian Unity Healthcare Wholesale Property Trust	784,309	815,770	1,959,317	0.10	31,461	-	79,952
	<u>7,096,929</u>	<u>4,707,439</u>	<u>6,413,690</u>		<u>18,237,431</u>	<u>(20,626,921)</u>	<u>247,386</u>

2023	AUFM Managed Fund No.3 (Pro-D Growth Fund)						
	No. of units held opening	No. of units held closing	Fair value of investment \$ ²	Interest held %	No. of units acquired	No. of units disposed	Distributions received/ receivable \$
Platypus Australian Equities Fund	1,811,614	1,616,622	2,315,327	0.99	-	(194,992)	108,837
Australian Unity Property Income Fund	2,168,142	1,628,802	1,475,368	0.50	-	(539,340)	95,822
Australian Unity Wholesale Cash Fund	1,600,774	1,337,923	1,337,923	0.44	16,635,319	(16,898,170)	45,165
Altius Sustainable Short Term Income Fund - Ordinary	2,749,412	1,729,273	1,722,875	0.35	1,681,261	(2,701,400)	61,843
Australian Unity Healthcare Wholesale Property Trust	1,026,405	784,309	2,149,870	0.09	67,904	(310,000)	83,994
	<u>9,356,347</u>	<u>7,096,929</u>	<u>9,001,363</u>		<u>18,384,484</u>	<u>(20,643,902)</u>	<u>395,661</u>

² Fair value of investment includes accrued distribution at the end of the year

**Australian Unity Diversified
Managed Investment Schemes
Notes to the financial statements
30 June 2024
(continued)**

14 Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating activities

	AUFM Managed Fund No.1 (Pro-D High Growth Fund)		AUFM Managed Fund No.2 (Pro-D Balanced Fund)		AUFM Managed Fund No.3 (Pro-D Growth Fund)	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
(a) Reconciliation of profit/(loss) to net cash inflows/(outflows) from operating						
Profit for the year	2,484	2,316	6,692	5,209	6,280	5,460
Proceeds from sale of financial instruments at fair value through profit or loss	3,794	2,778	20,175	29,566	13,912	11,907
Payments for purchase of financial instruments at fair value through profit or loss	(2,348)	(2,397)	(17,395)	(21,992)	(13,937)	(8,628)
Net (gains) on financial instruments at fair value through profit or loss	(1,794)	(1,637)	(4,390)	(3,000)	(4,314)	(3,614)
Reinvested income	(25)	(31)	(279)	(400)	(117)	(154)
Net foreign exchange loss	-	(3)	-	-	-	(2)
Net change in receivables	(74)	515	(219)	1,142	(227)	1,218
Net change in payables	(1)	-	(2)	(6)	-	(3)
Net cash inflows from operating activities	2,036	1,541	4,582	10,519	1,597	6,184
(b) Non-cash operating and financing activities						
During the period, the following distribution payments to unitholders were satisfied by the issue of units under the distribution reinvestment plan	116	502	761	786	198	237
During the year, the following distribution receipts were satisfied by the issue of units under distribution reinvestment plan	25	31	279	400	117	154

15 Events occurring after end of year

The directors of the Responsible Entity are not aware of any matter or circumstance arising since the end of the year which would impact on the financial position of the Schemes disclosed in the statements of financial position as at 30 June 2024 or on the results and cash flows of the Schemes for the year ended on that date.

16 Contingent assets and liabilities and commitments

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

**Australian Unity Diversified
Managed Investment Schemes
Directors' declaration
For the year ended 30 June 2024**

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 7 to 42 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Schemes' financial position as at 30 June 2024 and of their performance, as represented by the results of their operations and cash flows, for the year ended on that date.
 - (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) There are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable, and
- (c) The financial statements are in accordance with the Schemes' Constitutions.
- (d) Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Rohan Mead
Director



Esther Kerr
Director
20 September 2024



Independent Auditor's Report

To the respective unitholders of the following Schemes:

- AUFM Managed Fund No.1
- AUFM Managed Fund No.2
- AUFM Managed Fund No.3

For the purpose of this report, the terms '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.

Opinion

We have audited the **Financial Report** of the Schemes.

In our opinion, the accompanying **Financial Report** of the Schemes gives a true and fair view, including of the Scheme's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2024;
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Notes, including material accounting policies; and
- 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 Schemes 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 these requirements.

Other Information

Other Information is financial and non-financial information in the Schemes' annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Australian Unity Funds Management Limited (the Responsible Entity) are responsible for the Other Information.

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

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

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

Responsibilities of Directors for the Financial Report

The Directors of Australian Unity Funds Management Limited (the Responsible Entity) are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Schemes, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Schemes, and that is free from material misstatement, whether due to fraud or error; and
- assessing the 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 Scheme or to cease operations, or have no realistic alternative but to do so.



Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

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

KPMG

Chris Wooden

Partner

Melbourne

20 September 2024