



Instrument  
Fund

2021/22  
ANNUAL REPORT



ACO CELLO JULIAN THOMPSON

Julian plays a 1729 Giuseppe Guarneri filius Andreae cello with elements of the instrument crafted by his son, Giuseppe Guarneri del Gesù, kindly donated to the ACO by the late Peter Weiss AO.



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COVER PHOTO: ACO VIOLIN MARK INGWERSEN  
Mark plays a 1728/29 Stradivarius violin on loan  
from the ACO Instrument Fund.

ALL PHOTOS: BEN SULLIVAN

# ACOIF CHAIR'S REPORT

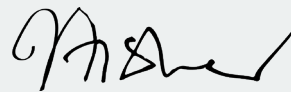
Having observed and celebrated the growth of the ACO Instrument Fund since it was conceived in 2011, I was deeply honoured to be invited to join the Trustee board as Director and Chair. Sadly, two of our longest and most tireless advocates – Bill Best, who was Director from 2010 and Chair from 2012, and John Taberner, who was Director since 2010 – retired this year. Both Directors' contributions for a period over a decade have ensured that the Fund has a solid foundation from which to continue the next phase of its existence. Due to Bill and John's retirement, the opportunity to appoint a new Trustee arose and I am very pleased to welcome Simon Yeo to the Trustee Board.

I am excited to note that our search for a fifth Golden Age instrument has already begun. As unitholders are well aware, instruments acquired by the Fund undergo significant due diligence, as we need to ensure that, on the one hand, the instrument is compatible with the ACO and on the other hand, it has the potential to meet our investment objectives for capital appreciation. An acquisition process can take months and even years to complete but it is a privilege to be steering this exciting journey. As I write this report, the Orchestra are on their first European tour in three years. No doubt instrument dealers are already tuning some of the most prized instruments in their collection, in hopes of finding a new player for one of them.

Coming through the COVID-19 pandemic, we have been reminded that 'Golden Age' instruments are historically known for their resilience against the ups and downs of the global economy. At the last valuation which the Trustee undertook in May 2022, the total value of our instruments was USD6.96 million or AUD10.1 million, when applying the exchange rate as at 30 June (0.6889). In consideration of the increase of the instruments' total underlying value over the last two years, the Trustee and I resolved to increase the Fund's unit price to \$1.50 effective from 26 May 2022, which is comparable to the unit price of \$1.45 at 30 June 2021.

On behalf of the Trustee of the Fund, I would like to congratulate all unitholders for their participation in this unique cultural investment. The Fund welcomed \$113,177 worth of investments into the Fund with three new investors during the year. There remains a genuine sense of interest and excitement from prospective unitholders. I urge our new and existing unitholders to continue to discuss the vision of the ACO Instrument Fund with other like-minded individuals and supporters of classical music in order to make the acquisition of our fifth instrument a reality.

I thank my fellow Directors of the Trustee Board, Jessica Block, Edward Gilmartin, John Leece, Julie Steiner and Simon Yeo. We are grateful to our Australian Financial Services License holder, JBWere Ltd and the ACO team – Managing Director Richard Evans, Chief Financial Officer (and AML/ CTF Compliance Officer) Fiona McLeod, ACO's Financial Controller Bonnie Ikeda, and especially the Manager of the ACO Instrument Fund, Yeehwan Yeoh.



JoAnna Fisher  
Chair  
ACO Instrument Fund

# ACO MANAGING DIRECTOR'S REPORT

The ACO is fortunate to perform on one of the finest collections of Golden Age string instruments of any orchestra, large or small, in the world. The ACO Instrument Fund with its four prized instruments – the 1728/29 Stradivari violin, the 1714 Guarneri violin, the 1616 Amati cello and the 1590 Amati violin – is a vital component of the orchestra's overall collection. We are privileged to also have the patronage of benefactors who have generously loaned us some of the most revered instruments in the rare 'Golden Age' category. Few other orchestras in the world can boast of playing not only one, but three Stradivari violins, multiple instruments from the renowned Guarneri and Amati families and, of course, our beloved Guadagnini violin.

Our move into the Pier 2/3 Walsh Bay Arts Precinct has been a momentous occasion; a venture decades in the making. It is an honour to continue a 60,000-year tradition of music making and storytelling in our new home on the shores of the Gadigal people in a restored historic pier fully equipped with the contemporary requirements of a world-renowned chamber orchestra. It is impossible (and amusing) to imagine what the great Italian luthiers might think about their instruments still being played, in such a facility, in a land so far away.

Through our new home at Pier 2/3, an exciting new level of collaboration, outreach, education and innovation await. I hope you will join us to experience the new energy, warmth and vibrancy this new facility affords.

I thank the ACO Instrument Fund unitholders for their ongoing support of the ACO and the Fund's objectives.

I also thank the Directors of the ACO Instrument Fund past and present, in particular our recently retired and longstanding Directors Bill Best and John Taberner. Both Bill (in his role as Chair) and John were instrumental in the creation of the Fund, and have given us all incredible service and care.

I look forward to working closely with our new Chair JoAnna Fisher together with our current Directors, Jessica Block, Edward Gilmartin, John Leece, Julie Steiner and Simon Yeo. I thank them for giving so much of their time in continuing to govern the Fund and its ongoing vision so judiciously.



Richard Evans  
Managing Director  
Australian Chamber Orchestra



# INSTRUMENT FUND OVERVIEW

The Australian Chamber Orchestra Instrument Fund (the “Fund”) was established to offer investors the opportunity to participate in ownership of a bank of historical stringed instruments. The instruments the Fund owns and targets have a history of increasing in value, or have the capacity to do so in the future. Each instrument is identified, assessed and verified by expert opinion before being considered for purchase.

The Fund lends instruments which it has purchased to the ACO without charge for use by its players in concerts, recordings and rehearsals in Australia and on the ACO's international tours. The ACO is responsible for insurance and maintenance of the Fund's instruments.

## THE INVESTMENT OBJECTIVE

The Fund's investment objective is to achieve long-term capital gains from investing in high quality stringed instruments. The Fund is not expected to generate income returns.

## THE INVESTMENT STRATEGY

Australian Chamber Orchestra Instrument Fund Pty Ltd (the “Trustee”) will acquire for the Fund, from local and international sources, specified stringed instruments which meet the requirements for the ACO's playing standards and commitments. There is no intention for the Fund to borrow, or to hold investments other than instruments and cash.

## COMMENT FROM JBWERE LIMITED

JBWere is pleased to act as arranger for investments in the Fund. JBWere believes that as a leader in delivering first class investment advice and philanthropic services, managing and growing people's wealth is very important, but when we are able to do this in a way that benefits the community, there is an even greater degree of satisfaction. We are delighted to see the progress and performance of the Fund since its inception and look forward to being a part of its continuing success.

## ACO ARTISTIC DIRECTOR RICHARD TOGNETTI

Richard plays the 1743 ‘Carroodus’ Giuseppe Guarneri del Gesù violin kindly on loan from an anonymous Australian private benefactor.

ASSETS OF THE FUND

# THE 1728/29 STRADIVARIUS VIOLIN



## ABOUT THE VIOLIN

The Fund acquired its first instrument in 2011 – a 1728/29 Stradivarius violin. This instrument is a composite of two instruments made by Antonio Stradivari in 1728 and 1729. This is not unusual: in the 18th century it was common to repair instruments by replacing sections. In this case, two Stradivarius violins, one with an original front, the other with an original back and sides, have been united to form an all-Stradivarius instrument that displays all the hallmarks of great Stradivarius violins. It has powerful projection and evenness of tone throughout its full range, with equality across all four strings. It has a rich and well-projected lower register on the G-string and a finely balanced middle register that soars to a sweet-toned, singing quality in the upper register which, in the right hands, intensifies to brilliance. It is capable of great dynamic variety and can be heard distinctly in solo lines above an ensemble or orchestral accompaniment. It is also equally able to blend elegantly with an instrumental section. The Fund's 1728/29 Stradivarius violin is played by ACO Violinist Mark Ingwersen.

## ABOUT ANTONIO STRADIVARI

Antonio Stradivari (1644–1737) is widely acknowledged as the greatest violin maker of all time. His instruments exhibit a unique blend of tonal excellence, design, beauty to the eye and accuracy of workmanship. Stradivari was born in Cremona, Italy, one of the recognised traditional centres of violin making. Even in that elite field, he was quickly recognised as a master. His instruments bear the hallmarks of his superiority: innovations such as wider and more intricate inlays, bolder sound-holes, stronger arching in the tables and a broader, squarer centre. Mystery still surrounds the recipe for his unique varnish.



ASSETS OF THE FUND

# THE 1714 GUARNERIUS VIOLIN



## ABOUT THE VIOLIN

The Fund acquired its second instrument in March 2014 – a beautiful violin made in 1714 by Giuseppe Guarneri filius Andreæ. The Fund's 1714 Guarnerius violin is played by ACO Violinist Maja Savnik.

A 1937 certificate of authentication from W.E. Hill & Sons describes the Guarnerius violin in detail: "The back, in one piece, is of wood cut on the slab and marked by a broad, irregular curl, that of the sides, cut on the quarter by a handsome, small curl, the head being plain: the table is of pine of fine grain at centre, opening slightly on the flanks and the varnish, of an orange-red colour. This violin, in a fine state of preservation, is a handsome example of the maker's work."

Not only is the Guarnerius a beautiful instrument, it comes with an impeccable provenance, having been previously owned by Isolde Menges (1893–1976), a renowned English violinist and pedagogue. A 1990 letter from Charles Beare, British violin expert, craftsman and dealer, describes her thus: "Isolde was a great character as well as a great musician. She loved her Guarneri and I always loved seeing it, especially the varnish on the back".

## ABOUT GIUSEPPE GUARNERI FILIUS ANDREÆ

By 1698, Giuseppe Guarneri filius Andreæ (1666–1740) had inherited his father's shop, where he had worked as an assistant for most of his life. The Guarneri workshop was just down the road from Antonio Stradivari's shop and the two competed to produce high quality instruments. Guarneri showed great originality in his designs, and expert craftsmanship. His outline tended to be narrow-waisted, the f-holes low and elegant, and he used a rich varnish, often described as deep orange-red in colour.

Guarneri's sons Pietro and Giuseppe del Gesù followed their grandfather and father into the family business, creating one of the greatest dynasties of Italian luthiers ever known. Pietro moved to Venice in 1717 to continue making violins, while del Gesù remained in Cremona, helping his father produce characteristic violins, and eventually inherited the Guarneri family workshop.

ASSETS OF THE FUND

# THE 1616 AMATI CELLO



## ABOUT THE CELLO

The 1616 Brothers Amati 'ex-Fleming' cello is a rare and characteristic example of its makers and has a reputation for its magnificent tonal qualities amongst the historical stringed instrument dealing world. The Fund's 1616 Amati cello is played by ACO Principal Cello Timo-Veikko Valve.

The description on the J&A Beare certificate of authenticity reads: "The back in two pieces of maple with quite narrow flames ascending slightly from the centre joint; the sides of similar wood; the scroll of later date with flames of medium width; the table in two pieces of spruce of medium grain; the varnish of an orange-brown colour on a lighter ground."

The cello is named after the celebrated British cellist Amaryllis Fleming who owned the instrument in the late 20th century. Hers was "an extraordinary life lived amongst uncommon people" according to journalist June Ducas, for her private life as much as her musical career. Fleming was the first modern cellist to return to performing Baroque music in "historically-informed style".

## ABOUT THE BROTHERS AMATI

"(Hieronymus) Amati created the warmest, most beautiful and sweet sound with an amazing clarity in its centre, a real core. The way Amati cellos are constructed means the sound can carry very well in large halls. They allow to radiate a long wave with a certain softness that reaches out into the auditorium." Florian Leonhard, 2015

ASSETS OF THE FUND

# THE 1590 AMATI VIOLIN



## ABOUT THE VIOLIN

In December 2018, the Fund acquired a fourth instrument, a 1590 Brothers Amati violin – a sibling instrument to the Fund's third acquisition. Like the 1616 Brothers Amati cello, this violin has a stunning tone of incredible warmth and clarity, and an incredible capacity for amplitude.

The violin is in a remarkable state of preservation for its age, with all parts still original. Its back, scroll and ribs are made of maple, and the table from spruce. A significant trace of the light orange varnish originally laid by its makers can still be found on the instrument.

Known owners of the 1590 Brothers Amati violin include the English noblewoman and amateur violinist Lady Margaret Cecil and Hendrik Willem van Loon, the once celebrated author of 'The Story of Mankind'. The Fund's 1590 Amati violin is played by ACO Violinist Ilya Isakovich.

## ABOUT THE BROTHERS AMATI (CONTINUED FROM PREVIOUS PAGE)

The famous Amati legacy was established by Andrea Amati (c1511–1577), like both the Stradivari and Guarneri families, from Cremona, Italy. His two sons were Antonio (c1540–1607) and his half-brother Girolamo (Hieronymus) (c1561–1630), or the 'brothers Amati' as they are commonly known. Although it is noted that Hieronymus bought out Antonio around 1588, most productions until 1630 bore labels which indicated that the two continued to work together, improving the design of the instruments of the violin family in subtle ways, such as the form of the soundhole and the outlines of the instruments.

The influence of the work of the Brothers Amati spread far and wide, in Italy and abroad. The Amati legacy was sealed by Hieronymus' son, Nicolò, whom many believe have taught Stradivari and Andrea Guarneri the craft of instrument making.

ACO VIOLIN ILYA ISAKOVICH

Ilya plays a 1590 Brothers Amati violin on loan from the ACO Instrument Fund.



# ANTI-MONEY LAUNDERING/ COUNTER-TERRORISM FINANCING REPORT

The Instrument Fund is defined as a reporting entity for the purposes of the Anti-Money Laundering/Counter-Terrorism Financing Act. It is therefore required to report on its compliance with the provisions of the AML/CTF Act in each calendar year by 31 March of the following year.

An independent audit was conducted by Initialism Pty Ltd in March 2022 on the compliance of the Fund's administration with the AML/CTF Act. The auditor concluded that Part A of the Fund's AML/CTF program in all "material" respects:

- > is effective having regard to the ML/TF risks posed to the Fund;
- > complies with the Rules;
- > has been effectively implemented; and
- > has been complied with.

# CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement relates to the Australian Chamber Orchestra Instrument Fund (“the Fund”). The Fund is an unregistered managed investment fund, the trustee of which is Australian Chamber Orchestra Instrument Fund Pty Ltd (“the Trustee”).

The ASX Corporate Governance Council has published Corporate Governance Principles and Recommendations which specify the disclosures that should be made by an ASX Listed Entity. In view of its structure, the Fund is not required to make any disclosures relating to its corporate governance framework and practices.

The Trustee Board has a commitment to maintain long term unitholder value and recognises the benefits of good corporate governance in achieving this aim. The Board is committed to best practice in corporate governance where these practices are appropriate and add value for unitholders in the Fund. The Trustee Board is of the opinion that, subject to certain departures which are not justified for adoption due to the nature and scale of the Fund’s activities and size of the Board, its policies and practices are in compliance with the ASX Corporate Governance Principles and Recommendations.

This statement is provided to outline the Trustee’s current corporate governance practices and the steps being taken to implement the recommendations and guidelines as outlined by the ASX Corporate Governance Council.

**PRINCIPLE 1**

## Lay solid foundations for management and oversight

The Trustee has delegated all management and administration of the Fund to Australian Chamber Orchestra Pty Ltd (“ACO”) under a Fund Administration Agreement. The Board and senior management functions are therefore kept separate. The Board meets regularly to perform its prescribed functions, including formal meetings held every two months as well as additional ad hoc meetings where required.

Each of the Board members is in regular contact with the ACO Managing Director and Chief Financial Officer (CFO) / Company Secretary and the Manager, ACO Instrument Fund. The ACO has a process for evaluating the performance of senior executives, including the evaluation of performance against key performance indicators.

The Trustee has entered into a Licence Services Agreement with JBWere Limited under which they have agreed to provide certain services to the Fund in connection with offers made to wholesale clients to invest in the Fund.

**PRINCIPLE 2**

## Structure the Board to add value

The Board seeks to ensure that its membership represents an appropriate balance between directors with experience and knowledge of the Fund and the investment market in which it operates, and directors with an external or fresh perspective, and that the size of the Board is conducive to effective discussion and efficient decision making.

The composition of the Board of Directors is prescribed by the Trustee’s Constitution and currently comprises six board members, three of whom are not considered independent directors. As such, the Board composition is not in accordance with ASX corporate governance principles however, the Board considers that the individuals on the Board can and do make quality and independent judgements in the best interests of the unit holders on all relevant issues.

The Board members are all non-executive directors and a description of the skills and experience of each of the directors is contained within *Appendix 1: Annual Directors and Financial Report (page 21)*.

The task of developing and implementing policies and procedures for nomination, selection and appointment of new directors as well as the re-election of incumbent directors is dealt with by the full Board. The Trust is yet to implement a formal process for evaluating the performance of the Board and individual directors.

**PRINCIPLE 3**

## Instil a culture of acting lawfully, ethically and responsibly

The ACO has a Code of Conduct for directors that provides policy and guidance on matters of conduct as directors. The aim of the code is to guide directors in the execution of their responsibilities, to ensure all legal obligations and stakeholder requirements are considered, and to provide all stakeholders with confidence in the integrity of the Board. The Trustee actively complies with this policy.

**PRINCIPLE 4**

## Safeguard integrity in corporate reporting

Having regard to the current size and activities of the Fund, the Board will retain responsibility for the duties of the audit committee, including the tasks of the selection and appointment of external auditors and the rotation of external audit engagement partners.

The Board has the power to make call upon the attendance of the ACO Managing Director and CFO, the external auditor or any other person to meetings of the Board. The directors also have access to professional advisors to provide advice and assistance as requested.

The Board will require the ACO Managing Director and CFO to state in writing to the Board that the company’s financial reports present fairly, in all material respects, the company’s financial condition and operational results and are in accordance with relevant accounting standards.

**PRINCIPLE 5**

## Make timely and balanced disclosure

Although not required to do so by any corporate or stock exchange regulation, the Board has a policy of complying with disclosure requirements as if the Fund were a registered fund. The Fund actively complies with this policy.

**PRINCIPLE 6**

## Respect the rights of security holders

The Fund has a policy of promoting effective communication with unitholders. The Fund actively complies with this policy by way of regular newsletters posted to unitholders, unitholder presentations and its annual report. The Fund does not maintain a website but has a presence on the ACO website which is regularly updated. The ACO has a dedicated staff member employed as Manager, ACO Instrument Fund who is seconded to the Fund.

**PRINCIPLE 7**

## Recognise and manage risk

The Board of the Trustee does not have a risk committee and itself oversees the Fund's risk management. It takes the management of risk seriously and has established and documented an enterprise risk management program for the oversight and management of the Fund's material business risks. This enterprise risk management program is based on the International Risk Management Standard AS/NZS ISO 31000:2009.

The area of risk considered under the risk policy include: Strategic and Market; Financial; Health & Safety; Reputational; Business Process & Systems; Property & Environmental and Legal & Regulatory Compliance risks. The Fund's Information Memorandum addresses General Risks including Market, Regulatory, Business, Counterparty, Tax and Foreign Exchange and Individual Instrument risk. It also addresses Specific Risks such as Manager and Key Person risk, Investment Strategy risk, Liquidity risk and Realisation of Asset risk.

The Fund has also established a Complaints Handling Program, based upon the international and Australian Standard AS ISO 10002-2006. The Board of the Trustee reviews the Risk and Complaints Registers at each of its regular meetings.

**PRINCIPLE 8**

## Remunerate fairly and responsibly

The directors of the Trustee receive no remuneration for their services on the Board. The management and administration of the Fund is under the care of executive officers of the ACO who, with the exception of the Manager, ACO Instrument Fund receive no additional remuneration for these services. The remuneration of the Manager, ACO Instrument Fund is set by the ACO Managing Director having regard to comparative salaries for equivalent positions within the industry in which it operates.

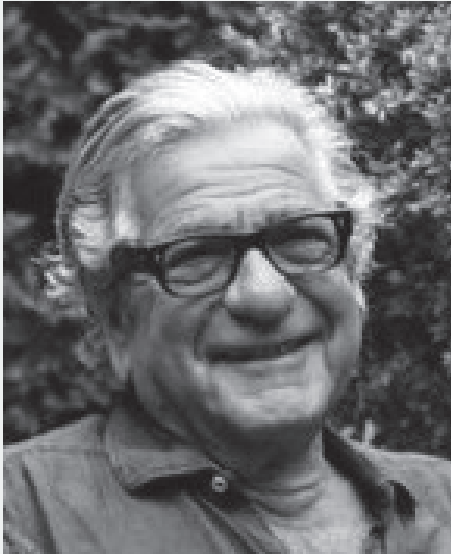


ACO PRINCIPAL BASS MAXIME BIBEAU

Max plays a late-16th-century Gasparo da Salò bass kindly on loan from a private Australian benefactor.



# FOUNDING PATRONS OF THE ACO INSTRUMENT FUND



ACOIF FOUNDING PATRON  
The late Peter Weiss AO

FOUNDING PATRON AND VISIONARY \$1M +

The late Peter Weiss AO

CONCERTO \$200,000 – \$999,999

The late Amina Belgiorno-Nettis  
Naomi Milgrom AO

OCTET \$100,000 – \$199,999

John Taberner

QUARTET \$50,000 – \$99,999

John Leece AM

# CORPORATE DIRECTORY

## REGISTERED OFFICE

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Instrument Fund Pty Ltd  
Suite 3, 13A Hickson Road  
Dawes Point  
SYDNEY NSW 2000  
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Fax: 02 8274 3801  
[www.aco.com.au/support/instrument\\_fund](http://www.aco.com.au/support/instrument_fund)

## ADMINISTRATION

Australian Chamber Orchestra Pty Ltd  
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SYDNEY NSW 2000  
Ph: 02 8274 3800  
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## SOLICITORS

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20 Bond Street  
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## AUDITOR

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One International Towers Sydney  
Watermans Quay  
BARANGAROO NSW 2000  
Ph: 02 8266 0000  
[www.pwc.com.au](http://www.pwc.com.au)

ACO PRINCIPAL VIOLIN SATU VÄNSKÄ

Satu plays the 1726 'Belgiorno' Stradivarius violin kindly on loan from Guido Belgiorno-Nettis AM & Michelle Belgiorno-Nettis.



# ANNUAL DIRECTORS AND FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

**Australian Chamber Orchestra  
Instrument Fund**

ABN 17 968 443 499

**Annual Directors and Financial Report  
for the year ended 30 June 2022**

# Australian Chamber Orchestra Instrument Fund

ABN 17 968 443 499

## Annual report- 30 June 2022

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## **Directors' report**

The directors of Australian Chamber Orchestra Instrument Fund Pty Limited (a controlled entity of Australian Chamber Orchestra Pty Limited), the trustee of Australian Chamber Orchestra Instrument Fund, present the financial statements of Australian Chamber Orchestra Instrument Fund ("the Fund") for the year ended 30 June 2022.

The Australian Financial Services Licence Holder ("AFSL Holder") of Australian Chamber Orchestra Instrument Fund is JBWere Pty Limited (ABN 68 137 978 360, Level 18, 101 Collins Street, Melbourne VIC, 3000).

## **Directors**

The following persons held office as directors of Australian Chamber Orchestra Instrument Fund Pty Limited ("the Trustee") during the whole of the financial year and up to the date of this report, unless otherwise stated:

J Block  
E N Gilmartin  
J D Leece  
J Steiner  
J Fisher (appointed 23 November 2021)  
S Yeo (appointed 24 June 2022)  
J G Taberner (retired 24 June 2022)  
W D Best (retired 15 March 2022)

## **Information on directors**

### **Ms J Block**

#### **Non-Executive Director since 10 December 2010**

Jessica Block is the newly appointed Director of Development at the Museum of Contemporary Art, the former Deputy Managing Director of the Australian Chamber Orchestra Pty Limited and a development consultant. She is now a director of the Australian Chamber Orchestra Instrument Fund Pty Limited, ACO US Inc and the Australian Youth Orchestra. She practised as a solicitor with King & Wood Mallesons and the Nine Network and has held senior management positions with The Bell Shakespeare Company and Sydney Festival. Jessica has a degree in Arts/Law from the University of Sydney.

### **Mr E N Gilmartin**

#### **Non-Executive Director since 29 November 2017**

Edward Gilmartin runs his family's private investment company. He worked as an investment banker in London until 1993 and with Macquarie Bank in Sydney and Melbourne until 1998. Edward has a degree in Engineering and a Masters' degree in Economics.

### **Mr J D Leece AM**

#### **Non-Executive Director since 20 May 2011**

John Leece has been a Partner of Boroughs Chartered Accountants for 40 years. He has served for many years on Committees and Boards of the Australian Accounting Profession and served as a Captain in the Australian Army Reserve. He is a Board member of the World Scout Foundation based in Geneva; a Trustee of the Charlie Perkins Trust for Children and Students; a Trustee of the Charlie Perkins Scholarships Trust awarding scholarships to Indigenous Australians to attend university at Oxford or Cambridge; an Advisor of the Australian Geographic Society; a Patron of the ACO, the Art Gallery of NSW and other philanthropic institutions. John is an Honorary Life Member of the Royal United Services Institute for Defence and Security Studies (RUSI) NSW; a Life Member of the Scouts Association of Australia and a Life Benefactor of the Westmead Institute for Medical Research. He is the initiator of the International Defence and Security Dialogues. John has been awarded the Australian Geographic Silver Medallion Spirit of Adventure and recognised in the Order of Australia as a Member in the General Division for significant service to the community, particularly to the Scouting Movement, and to philanthropy.



**Information on directors (continued)**

**Ms J Steiner AM**

**Non-Executive Director since 27 April 2017**

Julie Steiner retired from a senior executive career in May 2020. Most recently her profession was as joint Managing Director of an Australian search firm which she co-founded and then Global Practice Head of an international executive search firm. Prior to her 20 years in global executive search, Julie led large and complex organisations in the public and private sectors such as ABC Enterprises for the Australian Broadcasting Corporation and listed entity IMAX Australia. Her early career was in publishing with Macmillan and Penguin Books. She has been a broadcaster with the ABC and has sat on several Boards. Julie is a graduate of the Australian Institute of Company Directors. In addition to the Board of the Australian Chamber Orchestra Instrument Fund Pty Ltd, Julie is affiliated with the specialist Risk, Board and Governance advisory firm, Blackhall and Pearl. Julie has an honours degree in English, Literature and Politics from the University of Melbourne. She is also a Director of the Australian Chamber Orchestra Pty Ltd.

**Ms J Fisher**

**Chair**

**Non-Executive Director since 23 November 2021**

JoAnna Fisher is a company and not for profit director with extensive international financial services experience in investment management, institutional banking, capital markets, superannuation and corporate transactions. She is Chairman and Non-Executive Director CFSIL (Colonial First State Investment Limited), Chairman and Independent Non-Executive Director of Morphee Ethical Equities (MEC.ASX) and independent member of the Australian Catholic Superannuation and Retirement Fund's Investment Committee. JoAnna was appointed to the Australian Chamber Orchestra Instrument Fund Pty Ltd as Director on 23 November 2021 and as Chair on 15 March 2022. She was previously a non-executive Director of Mainstream Group (MAI.ASX) and Quantum Funds Management. Prior executive roles include Senior Executive at Commonwealth Wholesale Bank and Bankers Trust in Tokyo, New York and London. She is also a Director of the Australian Chamber Orchestra Pty Ltd.

**Mr S Yeo**

**Non-Executive Director since 24 June 2022**

Simon Yeo has worked in the stockbroking industry since 1993 and holds a Bachelor of Commerce from the University of Western Australia. He was the Executive Producer of The Reef, being instrumental in conceptualising, financing and arranging logistics, when the Australian Chamber Orchestra first launched the project in 2012 and also for The Reef redux undertaken in 2015 for the 2016 The Reef tour of the USA. He was previously a Director of Tura New Music and Euroz Hartleys Group. He is also a Director of the Australian Chamber Orchestra Pty Ltd.

**Mr J G Taberner**

**Non-Executive Director since 10 December 2010, retired 24 June 2022**

John Taberner was for 20 years until 2008, a partner in the Sydney office of Herbert Smith Freehills, Solicitors. Since 2008, he has been a Senior Consultant at Herbert Smith Freehills, Solicitors. John has extensive experience advising a wide range of clients on all aspects of environmental law. For 20 years he led the firm's environmental law practice in Sydney and was also a director of the firm's national Pro Bono practice. John has Masters degrees in Arts and Environmental Law. He was also a Director and Life Patron of the Australian Chamber Orchestra Pty Limited, a director of ACOUK and ACOUS until 24 June 2022 when John retired from all Director roles.

**Mr W D Best**

**Non-Executive Director since 10 December 2010, retired 15 March 2022**

Bill Best is currently Chairman of Ellerston Asia and Chairman of Inala, a Rudolf Steiner organisation supporting individuals with disabilities. Previously Bill had 30 years of investment banking experience, and was for many years an Executive Director of Macquarie Bank. He has LLB, B.Comm and M.Comm degrees. Bill was also a director of the Australian Chamber Orchestra Pty Limited until 27 April 2022. Bill was Chair of the Australian Chamber Orchestra Instrument Fund until 15 March 2022 when he retired from the Fund.

**Principal activities**

The Fund is an unregistered, wholesale, managed investment fund.

The Fund invests in rare, historical, high quality stringed instruments which are loaned to the Australian Chamber Orchestra Pty Limited for use by its players. The Fund intends to generate long term capital gains and is not expected to generate a return on income in the short term.

The Fund did not have any employees during the year.

**Distributions**

No distributions have been paid during the financial year. The directors do not recommend that a distribution be paid in respect of the financial year (2021: \$nil).

**Review of operations**

The profit from ordinary activities after income tax amounted to \$243,999 (2021 : \$nil).

The Fund continues to hold its investment in four rare, historical, high quality stringed instruments; a *1728/29 Stradivarius* violin, *1714 Guarneri* violin, *1616 Brothers Amati* cello and a *1590 Brothers Amati* violin across the entire year. Throughout the year, the Fund continued its search for future investments in accordance with the governing documents of the Fund and the provisions of the Fund's trust deed. The performance of the Fund, as represented by the results of its operations, was a net profit for the year ended 30 June 2022 of \$243,999 (2021: \$nil).

**Unit prices**

Unit prices are shown as follows:

|             | <b>2022</b> | <b>2021</b> |
|-------------|-------------|-------------|
| Unit prices | \$1.50      | \$1.45      |

It should be noted that redemptions will only be possible during periodic withdrawal windows (in accordance with note 1(k)).

The key differences between net assets for unit pricing purposes and net assets as reported in the financial statements prepared under Australian Accounting Standards have been outlined below:

|  | <b>2022</b>        | <b>2021</b> |
|--|--------------------|-------------|
|  | \$                 | \$          |
| Net assets for unit pricing purposes                                 | <b>7,319,983</b>   | 7,075,984   |
| Effect of classification of net assets to unitholders as liabilities | <b>(7,319,983)</b> | (7,075,984) |
| Net assets under Australian Accounting Standards                     | -                  | -           |

**Significant changes in the state of affairs**

The Fund reached its 10-year anniversary on 14 July 2021, at which stage the Fund was required within a three-month window, to put a resolution to unitholders to continue the Fund. Unless such a resolution is passed at the meeting by more than 50% of unitholders (by value) attending the meeting, the Fund will terminate and, in accordance with the Fund's trust deed, its assets will be realised and the net proceeds (after meeting all Fund liabilities) will be distributed to unitholders.

### **Significant changes in the state of affairs (continued)**

On 15 July 2021, the 10-year anniversary unitholder meeting was held to vote in consideration of continuing the Fund. The unitholders present, in person and by proxy at the meeting, unanimously voted and resolved to continue the Fund for another five years. The Fund will be required within a three month window of the 15-year anniversary to put a resolution to unitholders to continue the Fund for a further five years. Unless such a resolution is passed at the meeting by more than 50% of unitholders (by value) attending the meeting, the Fund will terminate and, in accordance with the Fund's trust deed, its assets will be realised and the net proceeds (after meeting all Fund liabilities) will be distributed to unitholders.

The COVID-19 outbreak was declared a pandemic by the World Health Organisation in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Fund has continued its business operations. The situation is unprecedented and the Board continues to consider the potential implications of COVID-19. Whilst the impact of the COVID-19 pandemic is uncertain, expectation of future events impacting instrument values and capital returns remains stable.

In the opinions of the directors there have been no other significant changes in the state of affairs of the Fund during the year.

### **Event since the end of the financial year**

No matter or circumstance has arisen since 30 June 2022 that has significantly affected the Fund's operations, results or state of affairs, nor may do so in future years.

### **Likely developments and expected results of operations**

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Fund and in accordance with the provision of the Fund's trust deed.

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

Further information on likely developments in the operations of the Fund and the expected results of operations have not been included in this annual report because the directors believe it would be likely to result in unreasonable prejudice to the Fund.

### **Environmental regulation**

The Fund is not affected by any significant environmental regulation in respect of its operations.

### **Insurance of officers and indemnities**

No insurance premiums are paid for out of the assets of the Fund with regard to insurance cover provided to either the officers of Australian Chamber Orchestra Instrument Fund Pty Limited or the auditors of the Fund.

#### *(a) Insurance of officers*

The officers of the Australian Chamber Orchestra Instrument Fund Pty Limited are in no way indemnified out of the assets of the Fund. Insurance premiums have been paid to provide insurance cover to the officers of the Australian Chamber Orchestra Instrument Fund Pty Limited by the Australian Chamber Orchestra Pty Limited.

#### *(b) Indemnity of auditors*

The auditor of the Fund is PricewaterhouseCoopers. The auditor is not indemnified out of the assets of the Fund.

**Fees paid to and interests held in the Fund by the Trustee or its associates**

No fees were paid out of Fund to the Trustee or its associates during the year.

No fees were paid out of Fund to the directors of the Trustee during the year.

The number of interests in the Fund held by the Trustee or its associates as at the end of the financial year are disclosed in note 15 Related party transactions to the financial statements.

**Fees paid to the AFSL holder**

Fees paid to the AFSL holder in the year ended 30 June 2022 were \$nil (2021: \$nil).

**Interests in the Fund**

The movement in the number of units on issue in the Fund during the year is disclosed in note 10 of the financial statements.

The value of the Fund's assets and liabilities is disclosed on the statement of financial position and derived using the basis set out in note 1 to the financial statements.

**Rounding of amounts**

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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



J Fisher  
Director

Sydney  
18 October 2022

# Australian Chamber Orchestra Instrument Fund

ABN 17 968 443 499

## Financial report - 30 June 2022

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These financial statements are the financial statements of Australian Chamber Orchestra Instrument Fund as an individual entity. The financial statements are presented in Australian dollars.

The trustee of Australian Chamber Orchestra Instrument Fund is Australian Chamber Orchestra Instrument Fund Pty Limited (ABN 63 147 806 424). Its registered office and principal place of business is:

Suite 3,  
13A Hickson Road  
Dawes Point NSW 2000

A description of the nature of the entity's operations and its principal activities is included in the directors' report on page 3, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 18 October 2022. The directors have the power to amend and reissue the financial statements.

**Australian Chamber Orchestra Instrument Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2022**

|   | Notes | 2022<br>\$       | 2021<br>\$       |
|---|-------|------------------|------------------|
| Investment income/(loss)                                    | 4     | 1,124,370        | (646,277)        |
| <b>Expenses</b>   |       |                  |                  |
| Provision for liquidity risk (expense)/benefit              |       | <u>(543,060)</u> | 452,394          |
| <b>Profit/(loss) before income tax</b>                      |       | <b>581,310</b>   | <b>(193,883)</b> |
| Income tax (expense)/benefit                                | 5     | <u>(337,311)</u> | 193,883          |
| <b>Profit for the year</b>                                  |       | <b>243,999</b>   | <b>-</b>         |
| <b>Other comprehensive income</b>                           |       |                  |                  |
| <b>Other comprehensive income for the year, net of tax</b>  |       | <u>-</u>         | <u>-</u>         |
| <b>Total comprehensive income for the year</b>              |       | <b>243,999</b>   | <b>-</b>         |
| Changes in net assets for the year attributable to:         |       |                  |                  |
| Unitholders of Australian Chamber Orchestra Instrument Fund |       | <u>243,999</u>   | <u>-</u>         |

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

**Australian Chamber Orchestra Instrument Fund**  
**Statement of financial position**  
**As at 30 June 2022**

|   | Notes | 2022<br>\$        | 2021<br>\$ |
|---|-------|-------------------|------------|
| <b>ASSETS</b>   |       |                   |            |
| <b>Current assets</b>   |       |                   |            |
| Cash and cash equivalents                                     | 6     | <u>40,754</u>     | 40,754     |
| <b>Total current assets</b>                                   |       | <u>40,754</u>     | 40,754     |
| <b>Non-current assets</b>                                     |       |                   |            |
| Rare, historical stringed instruments                         | 7     | <u>10,107,021</u> | 8,982,651  |
| <b>Total non-current assets</b>                               |       | <u>10,107,021</u> | 8,982,651  |
| <b>Total assets</b>   |       | <u>10,147,775</u> | 9,023,405  |
| <b>LIABILITIES</b>  |       |                   |            |
| <b>Current liabilities</b>                                    |       |                   |            |
| Payables  |       | <u>1</u>          | 1          |
| <b>Total current liabilities</b>                              |       | <u>1</u>          | 1          |
| <b>Non-current liabilities</b>                                |       |                   |            |
| Provision for liquidity risk                                  | 8     | 1,501,652         | 958,592    |
| Deferred tax liabilities                                      | 9     | <u>1,326,139</u>  | 988,828    |
| <b>Total non-current liabilities</b>                          |       | <u>2,827,791</u>  | 1,947,420  |
| <b>Total liabilities (excluding liability to unitholders)</b> |       | <u>2,827,792</u>  | 1,947,421  |
| <b>Net assets attributable to unitholders</b>                 |       | <u>7,319,983</u>  | 7,075,984  |
| <b>Liability to unitholders</b>                               |       |                   |            |
| Outstanding units   | 10    | <u>7,319,983</u>  | 7,075,984  |
| <b>Liability to unitholders</b>                               |       | <u>7,319,983</u>  | 7,075,984  |

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

**Australian Chamber Orchestra Instrument Fund**  
**Statement of changes in equity**  
**For the year ended 30 June 2022**

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

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



**Australian Chamber Orchestra Instrument Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2022**

|   | 2022            | 2021      |
|---|-----------------|-----------|
| Notes   | \$              | \$        |
| <b>Cash flows from operating activities</b>                       |                 |           |
| <b>Net cash inflow (outflow) from operating activities</b>        | -               | -         |
| <b>Cash flows from investing activities</b>                       |                 |           |
| Proceeds from purchases of units by unitholders                   | 113,117         | 381,486   |
| Payments for redemptions by unitholders                           | (113,117)       | (381,486) |
| <b>Net cash inflow (outflow) from investing activities</b>        | -               | -         |
| <b>Cash flows from financing activities</b>                       |                 |           |
| <b>Net cash outflow from financing activities</b>                 | -               | -         |
| <b>Net increase (decrease) in cash and cash equivalents</b>       | -               | -         |
| Cash and cash equivalents at the beginning of the financial year  | 40,754          | 40,754    |
| <b>Cash and cash equivalents at the end of the financial year</b> | 6 <b>40,754</b> | 40,754    |

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

## Contents of the notes to the financial statements

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## 1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for Australian Chamber Orchestra Instrument Fund as an individual entity.

### (a) General information

These financial statements cover Australian Chamber Orchestra Instrument Fund ("the Fund") as an individual entity. The Fund was established on 14 July 2011. The Fund reached its 10-year anniversary on 14 July 2021. On 15 July 2021, the 10-year anniversary unitholder meeting was held in consideration of continuing the Fund. The unitholders present, in person and by proxy at the meeting, unanimously voted and resolved to continue the Fund for another five years. The Fund is required within a three-month window of its 15-year anniversary to put a resolution to unitholders to continue the Fund for a further five years. Unless such a resolution is passed at the meeting by more than 50% of unitholders (by value) attending the meeting, the Fund will terminate and, in accordance with the Fund's trust deed, its assets will be realised and the net proceeds (after meeting all Fund liabilities) will be distributed to unitholders.

The Trustee of the Fund is Australian Chamber Orchestra Instrument Fund Pty Limited ("the Trustee"). The Trustee's office is Suite 3, 13A, Hickson Road, Dawes Point, NSW 2000. The Manager of the Fund is Australian Chamber Orchestra Pty Limited, and the Australian Financial Services Licence holder is JBWere Pty Limited ("AFSL holder").

The Fund aims to generate long term capital growth in accordance with the objectives stated in the governing documents of the Fund and in accordance with the provisions of the Fund's trust deed. It aims to achieve this objective by investing in rare, historical, high quality stringed instruments.

### (b) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. Australian Chamber Orchestra Instrument Fund is a for-profit entity for the purpose of preparing the financial statements.

#### (i) *Compliance with Australian Accounting Standards - Simplified Disclosure Requirements*

The financial statements of the Fund comply with Australian Accounting Standards - Simplified Disclosures as issued by the Australian Accounting Standards Board (AASB).

#### (ii) *Historical cost convention*

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment, and investment property - measured at fair value or revalued amount.

#### (iii) *New and amended standards adopted by the Company*

The Fund has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2021:

- *AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2* [AASB 4, AASB 7, AASB 9, AASB 16 & AASB 139]
- *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2020-9 Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments* [AASB 1060].
- *AASB 2020-2 Amendments to Australian Accounting Standards - Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*

## **1 Summary of significant accounting policies (continued)**

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

#### *(iii) New and amended standards adopted by the Company (continued)*

The Fund also elected to adopt the following standards and amendments early:

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]*
- AASB 2021-5 *Amendments to Australian Accounting Standards - Deferred Tax related to Assets and Liabilities arising from a Single Transaction [AASB 112]*

The Fund adopted AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For Profit and Not-for-Profit Tier 2 Entities* in the current year. Other than the change in disclosure requirements, the adoption of AASB 1060 has no significant impact on the consolidated financial statements because the Fund previously complied with Australian Accounting Standards - Reduced Disclosure Requirements in preparing its consolidated financial statements.

The other amendments listed above also did not have any impact on the amounts recognised in prior years and are not expected to significantly affect the current or future periods.

### **(c) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the Fund operates ('the functional currency'). The financial statements are presented in Australian dollars (\$), which is Australian Chamber Orchestra Instrument Fund's functional and presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

### **(d) Interest income**

Interest income is recognised using the effective interest method.

### **(e) Rare, historical stringed instruments**

Musical instruments are held for long term capital growth. The directors of the Trustee Company considers the reasonableness of the valuation of the instruments each year. They are shown at fair value based on periodic, at least triennial, valuations by reputable valuers and the reasonableness of the value is assessed annually. Independent valuers such as *Tarisio, NY and London, J & A Beare Limited, London* and *Peter Biddulph Limited, London* which are based on active market prices, adjusted for any difference in craftsmanship, age and/or condition of the instrument, if necessary.

There is no definitive accounting standard which deals with investments in rare, historical stringed instruments held for longer term capital growth. The Board of Directors considers the most appropriate and reliable method is to record changes in fair value in profit or loss, rather than other comprehensive income. The musical instruments are not depreciated.

### **(f) Income tax**

The Fund accounts for the current and future tax consequences of its own assets and liabilities and other events, as the Fund is currently a public trading trust. The Trustee is liable to pay tax on the net income of the Fund.

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

## **1 Summary of significant accounting policies (continued)**

### **(f) Income tax (continued)**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in Australia where the Fund operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Fund measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### **(g) Impairment of non-financial assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **(h) Cash and cash equivalents**

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

### **(i) Expenses**

The Fund may reimburse the Trustee for fees paid by it to the AFSL holder and any other costs incurred by it in connection with the Fund. All expenses are brought to account on an accrual basis.

### **(j) Provisions for liquidity risk**

The provision for liquidity risk estimates the future cash outflows relating to the transaction costs and the liquidity risk of units in the Australian Chamber Orchestra Instrument Fund at the reporting date. The estimate of these outflows may vary from the actual outflows.

## **1 Summary of significant accounting policies (continued)**

### **(k) Net assets attributable to unitholders**

Units can be applied for at any time but are redeemable in limited withdrawal windows that the Trustee provide every three years. The last withdrawal window was 1 to 21 July 2020. The next (and fourth over life of the Fund) withdrawal period will commence on 1 July 2023.

Net assets attributable to unitholders are classified as financial liabilities as units are redeemable at the option of the unitholder periodically. The fair value of redeemable units is measured at the redemption amount that is payable (based on the unit price) at the end of the reporting period if unitholders were to redeem their units in the Fund.

### **(l) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### **(m) Rounding of amounts**

The Fund is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

## **2 Financial risk management**

### **(a) Investment risk**

The Fund's investment objective is the achievement of long-term capital gains from investing in rare, historical, high quality stringed instruments. Accordingly, the Fund is not expected to generate regular income returns.

Further, there is a risk that the investment strategy will fail to perform as expected in which case the investment objective for the Fund may not be achieved.

In accordance with the investment strategy, the Fund does not intend to hold investments other than musical instruments and cash.

## **3 Critical estimates, judgements and errors**

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experiences and other factors such as the impacts from the COVID-19 pandemic, including expectation of future events, expert opinions are considered to be reasonable under the circumstances, which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

### 3 Critical estimates, judgements and errors (continued)

(i) *Value of rare, historical stringed instruments*

Management uses valuation techniques to determine the fair value of its rare, historical stringed instruments. These values are supported by market evidence. Management relies on the advice of external professional valuers that have recognised expertise, knowledge and experience with respect to the available market and the condition of the instruments. The fair value may vary from the actual market price that would be achieved in an arm's length transaction at the reporting date.

### 4 Investment income

|  | 2022<br>\$       | 2021<br>\$ |
|--|------------------|------------|
| Fair value gains/(losses) on rare, historical stringed instruments | <b>1,124,370</b> | (646,277)  |

### 5 Income tax expense

(a) **Income tax expense**

|   | 2022<br>\$     | 2021<br>\$ |
|---|----------------|------------|
| Deferred tax expense/(benefit)              | <b>337,311</b> | (193,884)  |
| <b>Total deferred tax expense/(benefit)</b> | <b>337,311</b> | (193,884)  |

(b) **Numerical reconciliation of income tax expense to prima facie tax payable**

|   | 2022<br>\$     | 2021<br>\$ |
|---|----------------|------------|
| Profit from continuing operations before income tax expense                   | <b>581,310</b> | (193,883)  |
| Tax at the Australian tax rate of 30.0% (2021: 30.0%)                         | <b>174,393</b> | (58,165)   |
| Tax effect of amounts which are not deductible in calculating taxable income: |                |            |
| Provision for liquidity risk  | <b>162,918</b> | (135,719)  |
| Income tax expense/(benefit)  | <b>337,311</b> | (193,884)  |

### 6 Cash and cash equivalents

|                          | 2022<br>\$    | 2021<br>\$ |
|--------------------------|---------------|------------|
| Cash at bank and in hand | <b>40,754</b> | 40,754     |

### 7 Rare, historical stringed instruments

|                                       | 2022<br>\$        | 2021<br>\$ |
|---------------------------------------|-------------------|------------|
| Rare, historical stringed instruments | <b>10,107,021</b> | 8,982,651  |

## 7 Rare, historical stringed instruments (continued)

|  | 2022                     | 2021                    |
|--|--------------------------|-------------------------|
|  | \$                       | \$                      |
| <b>Rare, historical stringed instruments</b> |                          |                         |
| Fair value at 1 July                         | 8,982,651                | 9,628,928               |
| Net gain/(loss) from fair value adjustment   | <u>1,124,370</u>         | <u>(646,277)</u>        |
| <b>Fair value at 30 June</b>                 | <b><u>10,107,021</u></b> | <b><u>8,982,651</u></b> |

The 2022 gain from the fair value adjustment was largely due to favourable exchange rate movements of \$820,161 and a revaluation increment of \$304,209 (USD 209,569) from the valuation on 26 May 2022 effective 30 June 2022, which resulted in a combined net gain of \$1,124,370.

The 2021 loss from the fair value adjustment was largely due to adverse exchange rate movements of \$838,913 offset by a favourable revaluation increment of \$192,636 (USD 144,824) from the valuation on 26 May 2021 effective 30 June 2021, which resulted in a combined net loss of \$646,277.

### Valuation basis

The Fund values its musical instruments at fair value which it reviews at least annually. Musical instruments are held for long term capital growth and depreciation on these assets is considered immaterial due to their extremely long useful life. The directors of the Trustee Company considers the reasonableness of the valuation of the instruments each year.

External valuations from reputable valuers are requested on at least a triennial basis and are based on active market prices, adjusted for any difference in craftsmanship, age and/or condition of each instrument, if necessary. The fair value is the amount which a willing party in an arm's length transaction would be willing to pay, based on current prices in an active market for similar instruments with similar qualities. These valuations were provided in US dollars.

On 26 May 2021, the directors approved a valuation from updates provided by three reputable valuers for all its musical instruments. Peter Biddulph Limited (London); J&A Beare Limited (London) and Tarisio Fine instruments and Bows (London and New York) provided valuations as described by the Information Memorandum. This valuation was conducted in advance of the financial year end and the 10-year anniversary wind-up meeting in July 2021. The valuation resulted in a revaluation increment of \$192,636 (USD 144,824) as at 30 June 2021.

On 26 May 2022, the directors again carried out and approved another valuation, engaging the same three independent valuers in US dollars, which remained effective as at 30 June 2022. The valuation resulted in a revaluation increment of \$304,209 (USD 209,569) as at 30 June 2022.

The USD exchange rate as at 30 June:

|                          | 2022          | 2021   |
|--------------------------|---------------|--------|
|                          | \$            | \$     |
| US Dollar exchange rates | <b>0.6889</b> | 0.7518 |

### Contractual obligations

Pursuant to clause 3.6 of the Fund Administration Agreement, the Fund is obligated to hire musical instruments to the Australian Chamber Orchestra Pty Limited for specified hiring periods as agreed in writing. The four rare, historical stringed musical instruments; 1728/29 *Stradivarius* violin, 1714 *Guarneri* violin, 1616 *Amati Brothers* cello and the 1590 *Brothers Amati* violin will continue to be hired by the Australian Chamber Orchestra Pty Limited until 14 July 2026 as per current arrangements.



## 8 Provision for liquidity risk

The Fund's trust deed provides for limited periodic withdrawal windows every three years. The Australian Chamber Orchestra Pty Limited will purchase up to \$500,000 worth of units on a pro-rata basis from unitholders wishing to participate in the withdrawal opportunity. Therefore, the Fund is not exposed to the liquidity risk of meeting unitholders' redemptions at these times.

The first withdrawal window commenced on 1 July 2014 and closed on 21 July 2014, where 50,000 units were withdrawn from the Fund. The Australian Chamber Orchestra Pty Limited purchased the 50,000 units for \$60,000 (a unit price of \$1.20) at that time.

The second withdrawal window commenced on 1 July 2017 and closed on 21 July 2017, with no withdrawal requests.

The third withdrawal window commenced on 1 July 2020 and closed on 21 July 2020, where a total of 263,094 units from four unitholders were withdrawn from the Fund. On 27 July 2020, the Trustee approved the transfer to and purchase of 263,094 units by the Australian Chamber Orchestra Pty Limited. (at a unit price of \$1.45 at the time). The value of the applications did not exceed the \$500,000 withdrawal limit and none of the applications were required to be pro-rated.

The next (and fourth) withdrawal window will commence on 1 July 2023.

The Fund invests in rare, historical, high quality stringed instruments. The Fund intends to generate long term capital gains and is not expected to generate a return on income in the short term. Musical instruments are an illiquid investment. They are not traded in an organised public market and not easily realisable. The Fund would not be able to sell any of its instruments quickly in order to meet its liquidity requirements.

The Trustee can recover fees paid to the AFSL holder from the Fund as well as any tax owing on the profit of the Fund. The Fund intentionally holds minimal cash and usually pays these amounts from the interest it earns on any cash held in term deposits.

Due to the limited withdrawal opportunities, a unit in the Fund is an illiquid investment. They are not traded in an organised public market but can be transferred privately to other wholesale investors. The Trustee may approve or disallow a transfer of a unitholder's units in its absolute discretion.

Any adjustment made by the directors to the unit price is in consideration of the liquidity factors impacting the unit price, the units in the Fund being an unlisted investment with limited withdrawal opportunities and the Fund owns assets that are rarely traded and not easily or quickly realised.

|                              | <b>2022</b>      | <b>Per Unit</b> | <b>2021</b> | <b>Per Unit</b> |
|------------------------------|------------------|-----------------|-------------|-----------------|
|                              | \$               | \$              | \$          | \$              |
| Provision for liquidity risk | <b>1,501,652</b> | <b>0.31</b>     | 958,592     | 0.20            |

## 9 Deferred tax liabilities

|   | 2022      | 2021             |
|---|-----------|------------------|
|   | \$        | \$               |
| Fair value gain on musical instruments                | 1,336,434 | 999,123          |
| Future income tax benefits attributable to tax losses | (10,295)  | (10,295)         |
| Net deferred tax liabilities                          | 1,326,139 | 988,828          |
| <b>Movements</b>                                      |           |                  |
|   |           | <b>Total</b>     |
|   |           | <b>\$</b>        |
| <b>At 1 July 2020</b>                                 |           | 1,182,712        |
| Charged/(credited)                                    |           |                  |
| Credited - profit or loss                             |           | (193,884)        |
| <b>At 30 June 2021</b>                                |           | 988,828          |
| <br>  |           |                  |
| <b>At 1 July 2021</b>                                 |           | <b>988,828</b>   |
| Charged/(credited)                                    |           |                  |
| Charged - profit or loss                              |           | 337,311          |
| <b>At 30 June 2022</b>                                |           | <b>1,326,139</b> |

## 10 Net assets attributable to unitholders

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

|                            | 2022      | 2021      | 2022      | 2021      |
|----------------------------|-----------|-----------|-----------|-----------|
|                            | Number    | Number    | \$        | \$        |
| Opening balance 1 July     | 4,879,989 | 4,879,989 | 7,075,984 | 7,075,984 |
| Application                | 78,012    | 263,904   | 113,117   | 381,486   |
| Redemption                 | (78,012)  | (263,904) | (113,117) | (381,486) |
| Unit Price Revaluation     | -         | -         | 243,999   | -         |
| Closing balance at 30 June | 4,879,989 | 4,879,989 | 7,319,983 | 7,075,984 |

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

The Board undertook a valuation of the current units and agreed at the 26 May 2022 Board meeting to increase the value of the unit price at \$1.50 from this date onwards (2021: \$1.45 per unit was confirmed at valuation on 26 May 2021). The value of \$1.50 per unit was effective 26 May 2022. The last increase in unit value was effective 30 June 2019.

### Capital risk management

The Fund considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a liability. The amounts of net assets attributable to unitholders is subject to daily applications and periodical redemptions.

## **10 Net assets attributable to unitholders (continued)**

A unit in the Fund is an illiquid investment. The Trustees are provided with periodic withdrawal opportunities under which a limited number of units will be purchased by the Australian Chamber Orchestra Pty Limited from investors who wish to participate in the relevant withdrawal opportunity. The Trustee provides withdrawal opportunities every three years. The withdrawal opportunity for redemption since the Fund's inception occurred in 2014, 2017 and 2020. 50,000 units were redeemed during the first withdrawal window, none in the second window and 263,094 units were redeemed in the third withdrawal opportunity in July 2020.

Additionally, if the Trustee determines that the Fund's cash levels materially exceed its forecast requirements, it will offer a pro rata redemption opportunity or make a pro rata capital distribution to unitholders.

The Fund reached its 10-year anniversary on 14 July 2021. On 15 July 2021, the 10-year anniversary unitholder meeting was held to vote in consideration of continuing the Fund. The unitholders present, in person and by proxy at the meeting, unanimously voted and resolved to continue the Fund for another five years. The Fund will be required within a three month window of the 15-year anniversary to put a resolution to unitholders to continue the Fund for a further five years. Unless such a resolution is passed at the meeting by more than 50% of unitholders (by value) attending the meeting, the Fund will terminate and, in accordance with the Fund's trust deed, its assets will be realised and the net proceeds (after meeting all Fund liabilities) will be distributed to unitholders.

## **11 Distributions to unitholders**

There were no distributions paid or payable during the financial year (2021: \$nil).

## **12 Remuneration of auditors**

The Australian Chamber Orchestra Pty Limited provides various general administrative and secretarial services to the Trustee at no cost under the Fund Administration Agreement, an agreement between the Australian Chamber Orchestra Pty Limited and the Trustee. These services include cost of engaging Auditors to complete the annual financial audit of the Fund.

All audit fees of the Fund are expensed to and paid by the Australian Chamber Orchestra Pty Ltd for the year ended 30 June 2022 and 30 June 2021, therefore nil audit fees are reported in the Fund for 30 June 2022 (2021: \$nil).

## **13 Contingencies**

### **(a) Contingent liabilities**

No other contingent liabilities as at 30 June 2022 (2021: \$nil)

### **(b) Contingent assets**

There are no contingent assets as at 30 June 2022 (2021: \$nil).

## **14 Commitments**

The Fund had no commitments at 30 June 2022 (2021: \$nil).

## **15 Related party transactions**

### **(a) Trustee**

The trustee of Australian Chamber Orchestra Instrument Fund is Australian Chamber Orchestra Instrument Fund Pty Limited ("the Trustee"). The Trustee is a controlled entity of Australian Chamber Orchestra Pty Limited.

Australian Chamber Orchestra Pty Limited is the Manager of the Fund. JBWere Pty Limited is the AFSL holder (AFSL 341162).

## 15 Related party transactions (continued)

### (b) Key management personnel compensation

Key management personnel include persons who were directors of Australian Chamber Orchestra Instrument Fund Pty Limited at any time during the financial year as disclosed in the directors' report.

There is no compensation paid to key management personnel from the Fund. The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving key management personnel's interests existing at year end.

The key management personnel holds units in the Fund as follows:

| 2022<br>Unitholder                             | Units<br>opening<br>Number | Units<br>acquired<br>Number | Units<br>disposed<br>Number | Units<br>closing<br>Number | Fair value<br>\$1.50/unit | Interest<br>held | Distributions<br>paid |
|--|----------------------------|-----------------------------|-----------------------------|----------------------------|---------------------------|------------------|-----------------------|
| Aljebra Pty Ltd ATF Aljebra Investment Trust** | 214,285                    | -                           | -                           | 214,285                    | 321,428                   | 4.39%            | -                     |
| J Block  | 34,482                     | -                           | -                           | 34,482                     | 51,723                    | 0.71%            | -                     |
| J Steiner                                      | 15,000                     | -                           | -                           | 15,000                     | 22,500                    | 0.31%            | -                     |
| <b>Total</b>                                   | <b>263,767</b>             | <b>-</b>                    | <b>-</b>                    | <b>263,767</b>             | <b>395,651</b>            | <b>5.41%</b>     | <b>-</b>              |

| 2021<br>Unitholder                                 | Units<br>opening<br>Number | Units<br>acquired<br>Number | Units<br>disposed<br>Number | Units<br>closing<br>Number | Fair value<br>\$1.45/unit | Interest<br>held | Distributions<br>paid |
|--|----------------------------|-----------------------------|-----------------------------|----------------------------|---------------------------|------------------|-----------------------|
| Aljebra Pty Ltd ATF Aljebra Investment Trust **    | 214,285                    | -                           | -                           | 214,285                    | 310,713                   | 4.39%            | -                     |
| WD Best *  | 100,000                    | -                           | -                           | 100,000                    | 145,000                   | 2.05%            | -                     |
| J Block  | 34,482                     | -                           | -                           | 34,482                     | 50,000                    | 0.71%            | -                     |
| J Steiner  | 15,000                     | -                           | -                           | 15,000                     | 21,750                    | 0.31%            | -                     |
| JG Taberner  | 107,830                    | -                           | -                           | 107,830                    | 156,354                   | 2.21%            | -                     |
| Trustees for the Languedoc Superannuation Fund *** | 213,632                    | -                           | -                           | 213,632                    | 309,766                   | 4.38%            | -                     |
| <b>Total</b>                                       | <b>685,229</b>             | <b>-</b>                    | <b>-</b>                    | <b>685,229</b>             | <b>993,583</b>            | <b>14.05%</b>    | <b>-</b>              |

\* Mr W D Best retired from ACO and ACOIF Board on 27 April 2022 and 15 March 2022 respectively.

\*\* Director of Aljebra Pty Ltd ATF Aljebra Investment Trust is Mr E N Gilmartin

\*\*\* Director of Trustees for the Languedoc Superannuation Fund is Mr J G Taberner who retired as a director from ACO and ACOIF Board on 24 June 2022. He held units personally and as a director of Trustees for Languedoc Superannuation Fund.

### (c) Related party holdings

Parties related to the Fund, held units in the Fund as follows:

| 2022<br>Unitholder                   | Units<br>opening<br>Number | Units<br>acquired<br>Number | Units<br>disposed<br>Number | Units<br>closing<br>Number | Fair value<br>\$1.50/unit | Interest<br>held | Distributions<br>paid |
|--------------------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|---------------------------|------------------|-----------------------|
| Australian Chamber Orchestra Pty Ltd | 263,094                    | -                           | 78,012                      | 185,082                    | 277,623                   | 3.79%            | -                     |
| Wyargine Holdings Pty Ltd*           | 200,000                    | -                           | -                           | 200,000                    | 300,000                   | 4.10%            | -                     |
| <b>Total</b>                         | <b>463,094</b>             | <b>-</b>                    | <b>78,012</b>               | <b>385,082</b>             | <b>577,623</b>            | <b>7.89%</b>     | <b>-</b>              |

## 15 Related party transactions (continued)

### (c) Related party holdings (continued)

| 2021<br>Unitholder                   | Units<br>opening<br>Number | Units<br>acquired<br>Number | Units<br>disposed<br>Number | Units<br>closing<br>Number | Fair value<br>\$1.45/unit | Interest<br>held | Distributions<br>paid |
|--------------------------------------|----------------------------|-----------------------------|-----------------------------|----------------------------|---------------------------|------------------|-----------------------|
| Australian Chamber Orchestra Pty Ltd | -                          | 263,094                     | -                           | 263,094                    | 381,486                   | 5.39%            | -                     |
| Wyargine Holdings Pty Ltd *          | 200,000                    | -                           | -                           | 200,000                    | 290,000                   | 4.10%            | -                     |
| <b>Total</b>                         | <b>200,000</b>             | <b>263,094</b>              | <b>-</b>                    | <b>463,094</b>             | <b>671,486</b>            | <b>9.49%</b>     | <b>-</b>              |

\* Wyargine Holdings Pty Ltd is a related entity of Mr G Belgiorno-Nettis AM a director of the Australian Chamber Orchestra Pty Ltd

### Trustees fees and other transactions

Neither the Trustee nor the Australian Chamber Orchestra Pty Limited charge fees for operating or managing the Fund.

The Trustee may be reimbursed from the Fund for costs incurred by it in connection with the Fund. No costs were reimbursed from the Fund to the Trustee during the year ended 30 June 2022 (2021: \$nil).

The Australian Chamber Orchestra Pty Limited provides various general administrative and secretarial services to the Trustee at no cost under the Fund Administration Agreement, an agreement between the Australian Chamber Orchestra Pty Limited and the Trustee.

The Fund and the Australian Chamber Orchestra Pty Limited have signed an Instrument Hire Agreement, whereby for a nominal fee the Australian Chamber Orchestra Pty Limited can utilise the instruments held by the Fund. However, in consideration of the general administrative and secretarial services provided by the Australian Chamber Orchestra Pty Limited, the fee has been waived.

The Trustee is responsible for fees paid to the Australian Financial Services Licence (AFSL) Holder under the Licence Service Agreement, an agreement between the Trustee and JBWere Pty Limited. The Trustee may recover these fees from the Fund. The fees due are paid direct by the Fund, hence there was no recovery by the Trustee during the year ended 30 June 2022 (2021: \$nil).

## 16 Events occurring after the reporting period

There was no other matters or circumstances that have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations or the state of affairs of the Fund or economic entity in subsequent financial years.

**Australian Chamber Orchestra Instrument Fund  
Directors' declaration  
30 June 2022**

In the opinion, of the directors of the Australian Chamber Orchestra Instrument Fund Pty Limited as Trustee for the Australian Chamber Orchestra Instrument Fund:

- (a) the financial statements and notes set out on pages 6 to 22 are in accordance with:
  - (i) Accounting Standards and other mandatory professional reporting requirements, and
  - (ii) present fairly of the Fund's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

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



J Fisher  
Director

Sydney  
18 October 2022



## Independent auditor's report

To the members of Australian Chamber Orchestra Instrument Fund

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### Our opinion

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Australian Chamber Orchestra Instrument Fund (the Fund) as at 30 June 2022 and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards - Simplified Disclosures.

#### *What we have audited*

The financial report comprises:

- the statement of financial position as at 30 June 2022
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the declaration of the Directors.

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### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Fund in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### Emphasis of matter - basis of accounting and restriction on use

We draw attention to Note 1 in the financial report, which describes the basis of accounting. The financial report has been prepared for internal purposes to assist Australian Chamber Orchestra Instrument Fund and its members. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Australian Chamber Orchestra Instrument Fund and its members and should not be used by parties other than Australian Chamber Orchestra Instrument Fund and its members. Our opinion is not modified in respect of this matter.

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### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Directors and Financial Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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### Responsibilities of management and the Directors for the financial report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures, and for such internal control as Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, Management is responsible for assessing the ability of the Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Fund's financial reporting process.

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### Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.





A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers' in a cursive script.

PricewaterhouseCoopers

A handwritten signature in blue ink that reads 'C Ratwatte' in a cursive script.

Chamilka Ratwatte  
Partner

Sydney  
18 October 2022



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