

Annual financial report - 30 June 2022

Arrowstreet Global Equity Fund

ARSN 122 036 006

IFP Global Franchise Fund

ARSN 111 759 712

IFP Global Franchise Fund II

ARSN 636 430 165

Macquarie International Equities Fund

ARSN 113 559 210

Macquarie International Infrastructure Securities Fund (Unhedged)

ARSN 164 557 331

Polaris Global Equity Fund

ARSN 169 928 232

Walter Scott Emerging Markets Fund

ARSN 140 355 719

Walter Scott Global Equity Fund

ARSN 112 828 136

Macquarie Public Investment - Direct Equities Funds Booklet 2

Annual financial report - 30 June 2022

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This financial report covers Arrowstreet Global Equity Fund, IFP Global Franchise Fund, IFP Global Franchise Fund II, Macquarie International Equities Fund, Macquarie International Infrastructure Securities Fund (Unhedged), Polaris Global Equity Fund, Walter Scott Emerging Markets Fund and Walter Scott Global Equity Fund as individual entities.

The Responsible Entity of Arrowstreet Global Equity Fund, IFP Global Franchise Fund, IFP Global Franchise Fund II, Macquarie International Equities Fund, Macquarie International Infrastructure Securities Fund (Unhedged), Polaris Global Equity Fund, Walter Scott Emerging Markets Fund and Walter Scott Global Equity Fund is Macquarie Investment Management Australia Limited (ABN 55 092 552 611). The Responsible Entity's registered office is No. 50 Martin Place, Sydney, NSW 2000.

Directors' Report

30 June 2022

The directors of Macquarie Investment Management Australia Limited ("MIMAL" or the "Responsible Entity"), a wholly owned subsidiary of Macquarie Group Limited and the Responsible Entity of Arrowstreet Global Equity Fund, IFP Global Franchise Fund, IFP Global Franchise Fund II, Macquarie International Equities Fund, Macquarie International Infrastructure Securities Fund (Unhedged), Polaris Global Equity Fund, Walter Scott Emerging Markets Fund and Walter Scott Global Equity Fund, present their report together with the financial report of Arrowstreet Global Equity Fund, IFP Global Franchise Fund, IFP Global Franchise Fund II, Macquarie International Equities Fund, Macquarie International Infrastructure Securities Fund (Unhedged), Polaris Global Equity Fund, Walter Scott Emerging Markets Fund and Walter Scott Global Equity Fund (individually the "Trust", collectively the "Trusts") for the financial year ended 30 June 2022.

Principal activities

- ***Arrowstreet Global Equity Fund***

The principal activity of the Trust is to invest in equity securities and derivatives in accordance with its Constitution.

- ***IFP Global Franchise Fund***

The principal activity of the Trust is to invest in equity securities and derivatives in accordance with its Constitution.

- ***IFP Global Franchise Fund II***

The principal activity of the Trust is to invest in equity securities and derivatives in accordance with its Constitution.

- ***Macquarie International Equities Fund***

The principal activity of the Trust is to invest in equity securities and derivatives in accordance with its Constitution.

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

The principal activity of the Trust is to invest in equity securities in accordance with its Constitution.

- ***Polaris Global Equity Fund***

The principal activity of the Trust is to invest in equity securities in accordance with its Constitution.

- ***Walter Scott Emerging Markets Fund***

The principal activity of the Trust is to invest in equity securities in accordance with its Constitution.

- ***Walter Scott Global Equity Fund***

The principal activity of the Trust is to invest in equity securities in accordance with its Constitution.

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

Directors' Report

30 June 2022

Directors

The following persons held office as directors of MIMAL during the financial year ended 30 June 2022 or since the end of the financial year and up to the date of this report:

M Aubrey (appointed 01/10/2021)
 C Berger
 R Gohil (resigned 01/10/2021)
 C Marull
 G Stephens
 B Terry

Review and results of operations

During the financial year, the Trusts were managed in accordance with the investment objective and strategy set out in the respective Trust's offer document and in accordance with their respective Constitution.

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

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022	2021	2022	2021
Profit/(loss) for the year attributable to unitholders (\$'000)	(161,549)	897,003	16,055	330,906
Distributions paid or payable (\$'000)	197,980	512,670	195,288	102,479
Distribution per unit (in cents)	6.74	21.63	30.04	13.97

	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022	2021	2022	2021
Profit/(loss) for the year attributable to unitholders (\$'000)	(17,761)	25,145	(95,578)	215,609
Distributions paid or payable (\$'000)	7,002	234	31,350	22,779
Distribution per unit (in cents)	1.65	0.12	5.17	4.58

	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022	2021	2022	2021
Profit/(loss) for the year attributable to unitholders (\$'000)	39,951	42,890	(21,317)	56,518
Distributions paid or payable (\$'000)	40,046	10,045	6,605	2,226
Distribution per unit (in cents)	16.47	3.23	4.34	1.66

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022	2021	2022	2021
Profit/(loss) for the year attributable to unitholders (\$'000)	(2,801)	2,184	(437,939)	883,040
Distributions paid or payable (\$'000)	83	2,347	147,813	36,617
Distribution per unit (in cents)	0.54	20.76	11.21	2.72

Directors' Report

30 June 2022

Significant changes in state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

The Trusts will continue to be managed in accordance with the investment objective and strategy set out in the respective Trust's offer document and in accordance with their respective Constitution.

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

Indemnification and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Trusts in regards to insurance cover provided to either the officers of the Responsible Entity or the auditor of the Trusts. Under the respective Trust's Constitution, the Responsible Entity of the Trusts is entitled to be indemnified out of the assets of the Trusts for any liability incurred by it in properly performing its duties or exercising any of its powers in relation to the Trusts.

Fees paid to and units held in the Trusts by the Responsible Entity or its associates

Fees paid to the Responsible Entity and its associates out of the Trusts' property during the financial year are disclosed in note 9 of the financial statements.

No fees were paid out of the Trusts' property to the directors of the Responsible Entity during the financial year (2021: Nil).

The number of units in the Trusts held by the Responsible Entity, its directors or its associates as at the end of the financial year are disclosed in note 9 of the financial statements.

Directors' Report

30 June 2022

Units in the Trusts

The movement in units of the Trusts during the financial year is disclosed in note 5 of the financial statements.

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

Environmental regulations

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

Rounding of amounts

In accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191*, amounts in the directors' report and the financial report have been rounded to the nearest thousand Australian dollars, unless otherwise indicated.

Multi-fund booklet

The relief available in *Australian Securities and Investments Commission Corporations (Related Scheme Reports) Instrument 2015/839* has been applied in the directors' report and the financial report, combining information related to multiple Trusts. In accordance with that, information related to each included Trust has been readily identified and amounts for each included Trust are presented in the adjacent columns in this report.

Auditor's independence declaration

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

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



Director:

B Terry

Sydney

19 September 2022

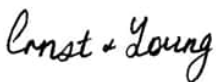
Auditor's independence declaration to the directors of Macquarie Investment Management Australia Limited as Responsible Entity of

- Arrowstreet Global Equity Fund
- IFP Global Franchise Fund
- IFP Global Franchise Fund II
- Macquarie International Equities Fund
- Macquarie International Infrastructure Securities Fund (Unhedged)
- Polaris Global Equity Fund
- Walter Scott Emerging Markets Fund
- Walter Scott Global Equity Fund

referred to collectively as the Trusts.

As lead auditor for the audit of the financial report of the Trusts for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Rita Da Silva
Partner
19 September 2022

Statements of Comprehensive Income
For the Year Ended 30 June 2022

	Notes	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income/(loss)					
Interest income		–	25	–	59
Dividend income		122,306	69,225	42,399	41,031
Net gains/(losses) on financial instruments held at fair value through profit or loss		(235,514)	872,422	1,545	314,538
Net foreign exchange gains/(losses)		7,882	(793)	(609)	(445)
Other operating income	9	–	1,700	–	3,366
Total income/(loss)		(105,326)	942,579	43,335	358,549
Expenses					
Responsible Entity fees	9	(43,216)	(36,557)	(23,721)	(22,827)
Withholding tax expenses*		(12,997)	(8,900)	(3,559)	(4,816)
Other operating expenses		(10)	(119)	–	–
Total expenses		(56,223)	(45,576)	(27,280)	(27,643)
Profit/(loss) for the year attributable to unitholders	5	(161,549)	897,003	16,055	330,906
Other comprehensive income for the year		–	–	–	–
Total comprehensive income/(loss) for the year attributable to unitholders		(161,549)	897,003	16,055	330,906

*For the current period, withholding tax expense is presented net of any withholding tax refund/reversal, while it was disclosed on a gross basis in the comparative period. In the prior period, any withholding tax refund/reversal was presented separately as other operating income.

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

Statements of Comprehensive Income
For the Year Ended 30 June 2022

	Notes	IFP Global Franchise Fund II		Macquarie International Equities Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income/(loss)					
Dividend income		5,577	2,335	24,084	15,195
Net gains/(losses) on financial instruments held at fair value through profit or loss		(18,603)	24,766	(113,412)	206,775
Net foreign exchange gains/(losses)		(78)	(102)	702	(2,524)
Other operating income	9	–	146	–	893
Total income/(loss)		(13,104)	27,145	(88,626)	220,339
Expenses					
Responsible Entity fees	9	(4,056)	(1,565)	(3,969)	(2,556)
Withholding tax expenses*		(601)	(435)	(2,983)	(2,151)
Other operating expenses		–	–	–	(23)
Total expenses		(4,657)	(2,000)	(6,952)	(4,730)
Profit/(loss) for the year attributable to unitholders					
Other comprehensive income for the year	5	(17,761)	25,145	(95,578)	215,609
Total comprehensive income/(loss) for the year attributable to unitholders		(17,761)	25,145	(95,578)	215,609

*For the current period, withholding tax expense is presented net of any withholding tax refund/reversal, while it was disclosed on a gross basis in the comparative period. In the prior period, any withholding tax refund/reversal was presented separately as other operating income.

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

Statements of Comprehensive Income
For the Year Ended 30 June 2022

	Notes	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income/(loss)					
Interest income		–	3	–	–
Dividend income		10,978	10,537	7,219	5,101
Net gains/(losses) on financial instruments held at fair value through profit or loss		33,759	36,722	(24,021)	54,312
Net foreign exchange gains/(losses)		(70)	(163)	(453)	(16)
Other operating income	9	–	513	–	239
Total income/(loss)		44,667	47,612	(17,255)	59,636
Expenses					
Responsible Entity fees	9	(3,408)	(3,496)	(3,205)	(2,334)
Withholding tax expenses*		(1,297)	(1,182)	(857)	(784)
Other operating expenses		(11)	(44)	–	–
Total expenses		(4,716)	(4,722)	(4,062)	(3,118)
Profit/(loss) for the year attributable to unitholders	5	39,951	42,890	(21,317)	56,518
Other comprehensive income for the year		–	–	–	–
Total comprehensive income/(loss) for the year attributable to unitholders		39,951	42,890	(21,317)	56,518

*For the current period, withholding tax expense is presented net of any withholding tax refund/reversal, while it was disclosed on a gross basis in the comparative period. In the prior period, any withholding tax refund/reversal was presented separately as other operating income.

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

Statements of Comprehensive Income
For the Year Ended 30 June 2022

	Notes	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Income/(loss)					
Interest income		–	1	–	77
Dividend income		349	303	60,822	58,946
Net gains/(losses) on financial instruments held at fair value through profit or loss		(2,874)	2,100	(430,425)	883,287
Net foreign exchange gains/(losses)		(48)	(10)	556	(26)
Other operating income	9	–	–	–	5,195
Total income/(loss)		(2,573)	2,394	(369,047)	947,479
Expenses					
Responsible Entity fees	9	(190)	(169)	(61,289)	(54,215)
Withholding tax expenses*		(38)	(37)	(7,603)	(10,213)
Other operating expenses		–	(4)	–	(11)
Total expenses		(228)	(210)	(68,892)	(64,439)
Profit/(loss) for the year attributable to unitholders	5	(2,801)	2,184	(437,939)	883,040
Other comprehensive income for the year		–	–	–	–
Total comprehensive income/(loss) for the year attributable to unitholders		(2,801)	2,184	(437,939)	883,040

*For the current period, withholding tax expense is presented net of any withholding tax refund/reversal, while it was disclosed on a gross basis in the comparative period. In the prior period, any withholding tax refund/reversal was presented separately as other operating income.

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

Statements of Financial Position
As at 30 June 2022

	Notes	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Cash and cash equivalents	6	135,620	93,999	30,233	13,518
Due from brokers - receivable for securities sold		24,067	356,326	921	3,573
Dividends receivable		10,943	3,951	2,393	1,785
Other receivables		6,412	4,135	8,679	7,369
Financial assets held at fair value through profit or loss	7	3,334,162	3,098,757	1,580,934	1,890,410
Total assets		3,511,204	3,557,168	1,623,160	1,916,655
Liabilities					
Redemptions payable		61,475	177,372	27,420	18,720
Distributions payable		76,748	203,110	154,966	74,733
Withholding tax payable		–	–	2	2
Responsible Entity fees payable	9	2,831	3,680	1,323	2,028
Due to brokers - payable for securities purchased		27,045	82,688	1	3,279
Financial liabilities held at fair value through profit or loss	8	144,983	25,504	–	–
Total liabilities		313,082	492,354	183,712	98,762
Net assets attributable to unitholders - equity	5	3,198,122	3,064,814	1,439,448	1,817,893

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

Statements of Financial Position
As at 30 June 2022

	Notes	IFP Global Franchise Fund II		Macquarie International Equities Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Cash and cash equivalents	6	13,869	–	24,911	30,333
Margin accounts		–	–	5,699	23,349
Due from brokers - receivable for securities sold		293	16,063	4,471	16
Dividends receivable		472	59	1,250	742
Other receivables		461	217	1,710	1,137
Financial assets held at fair value through profit or loss	7	482,487	234,688	1,277,258	1,098,185
Total assets		497,582	251,027	1,315,299	1,153,762
Liabilities					
Bank overdraft	6	–	8,843	–	–
Redemptions payable		1,011	159	24,293	7,883
Distributions payable		1,329	51	13	19
Responsible Entity fees payable	9	451	261	1,001	736
Due to brokers - payable for securities purchased		–	1,139	3,292	–
Financial liabilities held at fair value through profit or loss	8	–	–	26	169
Total liabilities		2,791	10,453	28,625	8,807
Net assets attributable to unitholders - equity	5	494,791	240,574	1,286,674	1,144,955

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

Statements of Financial Position
As at 30 June 2022

		Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	Notes	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Cash and cash equivalents	6	3,078	9,413	7,002	4,682
Due from brokers - receivable for securities sold		–	9	–	17
Dividends receivable		1,253	1,766	341	286
Other receivables		370	230	538	394
Financial assets held at fair value through profit or loss	7	334,216	347,018	224,552	232,349
Total assets		338,917	358,436	232,433	237,728
Liabilities					
Redemptions payable		34,211	17,045	283	210
Distributions payable		9,552	843	2,737	747
Responsible Entity fees payable	9	865	882	200	264
Total liabilities		44,628	18,770	3,220	1,221
Net assets attributable to unitholders - equity	5	294,289	339,666	229,213	236,507

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

Statements of Financial Position
As at 30 June 2022

	Notes	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Cash and cash equivalents	6	732	604	99,824	74,541
Due from brokers - receivable for securities sold		3	–	–	203
Dividends receivable		59	45	3,028	2,112
Other receivables		5	11	12,699	11,204
Financial assets held at fair value through profit or loss	7	13,505	14,505	4,096,897	4,732,343
Total assets		14,304	15,165	4,212,448	4,820,403
Liabilities					
Redemptions payable		12	40	29,071	71,704
Distributions payable		77	2,149	98,519	24,771
Responsible Entity fees payable	9	10	11	3,547	5,098
Due to brokers - payable for securities purchased		36	–	8,386	–
Total liabilities		135	2,200	139,523	101,573
Net assets attributable to unitholders - equity	5	14,169	12,965	4,072,925	4,718,830

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

Statements of Changes in Equity

For the Year Ended 30 June 2022

	Notes	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total equity at the beginning of the year		3,064,814	2,365,533	1,817,893	1,446,570
Comprehensive income/(loss) for the year					
Profit/(loss) for the year	5	(161,549)	897,003	16,055	330,906
Other comprehensive income		–	–	–	–
Total comprehensive income/(loss) for the year		(161,549)	897,003	16,055	330,906
Transactions with unitholders in their capacity as owners					
Applications	5	1,271,312	917,247	262,474	379,540
Redemptions	5	(894,208)	(909,416)	(502,006)	(264,388)
Units issued upon reinvestment of distributions	5	115,733	307,117	40,320	27,744
Distributions	5	(197,980)	(512,670)	(195,288)	(102,479)
Total transactions with unitholders in their capacity as owners		294,857	(197,722)	(394,500)	40,417
Total equity at the end of the year	5	3,198,122	3,064,814	1,439,448	1,817,893

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

Statements of Changes in Equity
For the Year Ended 30 June 2022

	Notes	IFP Global Franchise Fund II		Macquarie International Equities Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total equity at the beginning of the year		240,574	45,460	1,144,955	690,377
Comprehensive income/(loss) for the year					
Profit/(loss) for the year	5	(17,761)	25,145	(95,578)	215,609
Other comprehensive income		–	–	–	–
Total comprehensive income/(loss) for the year		(17,761)	25,145	(95,578)	215,609
Transactions with unitholders in their capacity as owners					
Applications	5	288,213	184,040	435,867	326,871
Redemptions	5	(14,906)	(14,020)	(198,549)	(87,881)
Units issued upon reinvestment of distributions	5	5,673	183	31,329	22,758
Distributions	5	(7,002)	(234)	(31,350)	(22,779)
Total transactions with unitholders in their capacity as owners		271,978	169,969	237,297	238,969
Total equity at the end of the year	5	494,791	240,574	1,286,674	1,144,955

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

Statements of Changes in Equity
For the Year Ended 30 June 2022

	Notes	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total equity at the beginning of the year		339,666	344,936	236,507	151,064
Comprehensive income/(loss) for the year					
Profit/(loss) for the year	5	39,951	42,890	(21,317)	56,518
Other comprehensive income		—	—	—	—
Total comprehensive income/(loss) for the year		39,951	42,890	(21,317)	56,518
Transactions with unitholders in their capacity as owners					
Applications	5	46,728	79,733	57,561	82,163
Redemptions	5	(121,043)	(125,510)	(40,379)	(52,273)
Units issued upon reinvestment of distributions	5	29,033	7,662	3,446	1,261
Distributions	5	(40,046)	(10,045)	(6,605)	(2,226)
Total transactions with unitholders in their capacity as owners		(85,328)	(48,160)	14,023	28,925
Total equity at the end of the year	5	294,289	339,666	229,213	236,507

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

Statements of Changes in Equity
For the Year Ended 30 June 2022

	Notes	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Total equity at the beginning of the year		12,965	11,269	4,718,830	3,741,486
Comprehensive income/(loss) for the year					
Profit/(loss) for the year	5	(2,801)	2,184	(437,939)	883,040
Other comprehensive income		–	–	–	–
Total comprehensive income/(loss) for the year		(2,801)	2,184	(437,939)	883,040
Transactions with unitholders in their capacity as owners					
Applications	5	15,911	7,231	780,235	963,546
Redemptions	5	(11,828)	(5,570)	(889,682)	(844,471)
Units issued upon reinvestment of distributions	5	5	198	49,294	11,846
Distributions	5	(83)	(2,347)	(147,813)	(36,617)
Total transactions with unitholders in their capacity as owners		4,005	(488)	(207,966)	94,304
Total equity at the end of the year	5	14,169	12,965	4,072,925	4,718,830

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

Statements of Cash Flows
For the Year Ended 30 June 2022

	Notes	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities:					
Proceeds related to financial instruments held at fair value through profit or loss		5,074,579	5,322,136	757,118	564,844
Payments related to financial instruments held at fair value through profit or loss		(5,148,898)	(5,366,155)	(447,321)	(625,438)
Interest received		–	25	–	59
Dividends received		99,282	59,125	36,521	36,339
Other income received		–	754	–	–
Responsible Entity fees paid		(43,388)	(35,814)	(24,025)	(22,679)
Payment of other expenses		(10)	(119)	–	–
Net cash inflow/(outflow) from operating activities	10(a)	(18,435)	(20,048)	322,293	(46,875)
Cash flows from financing activities:					
Proceeds from applications by unitholders		1,271,312	917,247	262,474	379,540
Payments for redemptions made to unitholders		(1,010,105)	(753,879)	(493,306)	(253,104)
Distributions paid to unitholders		(208,609)	(83,114)	(74,735)	(124,500)
Withholding tax paid		–	(3)	–	(1)
Net cash inflow/(outflow) from financing activities		52,598	80,251	(305,567)	1,935
Net increase/(decrease) in cash and cash equivalents		34,163	60,203	16,726	(44,940)
Cash and cash equivalents at the beginning of the year		93,999	35,690	13,518	58,474
Effects of foreign currency exchange rate changes on cash and cash equivalents		7,458	(1,894)	(11)	(16)
Cash and cash equivalents at the end of the year	6	135,620	93,999	30,233	13,518
Non-cash financing activities	10(b)	115,733	307,117	40,320	27,744

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

Statements of Cash Flows
For the Year Ended 30 June 2022

	Notes	IFP Global Franchise Fund II		Macquarie International Equities Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities:					
Proceeds related to financial instruments held at fair value through profit or loss		82,701	13,159	104,296	65,914
Payments related to financial instruments held at fair value through profit or loss		(334,543)	(194,854)	(398,252)	(302,635)
Net margin received/(paid)		–	–	17,650	(6,041)
Dividends received		4,280	1,858	19,965	12,727
Other income received		–	–	–	230
Responsible Entity fees paid		(3,827)	(1,415)	(3,649)	(2,257)
Payment of other expenses		–	–	–	(23)
Net cash inflow/(outflow) from operating activities	10(a)	(251,389)	(181,252)	(259,990)	(232,085)
Cash flows from financing activities:					
Proceeds from applications by unitholders		288,213	184,143	435,867	326,871
Payments for redemptions made to unitholders		(14,054)	(13,861)	(182,139)	(80,153)
Distributions paid to unitholders		(51)	–	(27)	(15)
Net cash inflow/(outflow) from financing activities		274,108	170,282	253,701	246,703
Net increase/(decrease) in cash and cash equivalents		22,719	(10,970)	(6,289)	14,618
Cash and cash equivalents at the beginning of the year		(8,843)	2,139	30,333	18,111
Effects of foreign currency exchange rate changes on cash and cash equivalents		(7)	(12)	867	(2,396)
Cash and cash equivalents at the end of the year	6	13,869	(8,843)	24,911	30,333
Non-cash financing activities	10(b)	5,673	183	31,329	22,758

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

Statements of Cash Flows
For the Year Ended 30 June 2022

	Notes	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
		2022	2021	2022	2021
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities:					
Proceeds related to financial instruments held at fair value through profit or loss		156,702	212,778	50,339	55,268
Payments related to financial instruments held at fair value through profit or loss		(110,215)	(159,233)	(66,936)	(86,420)
Interest received		–	3	–	–
Dividends received		10,055	9,107	6,124	4,244
Other income received		–	460	–	86
Responsible Entity fees paid		(3,426)	(3,554)	(3,230)	(2,257)
Payment of other expenses		(11)	(44)	–	–
Net cash inflow/(outflow) from operating activities	10(a)	53,105	59,517	(13,703)	(29,079)
Cash flows from financing activities:					
Proceeds from applications by unitholders		46,728	79,733	57,561	82,163
Payments for redemptions made to unitholders		(103,877)	(132,489)	(40,306)	(52,144)
Distributions paid to unitholders		(2,304)	(12,402)	(1,169)	(483)
Net cash inflow/(outflow) from financing activities		(59,453)	(65,158)	16,086	29,536
Net increase/(decrease) in cash and cash equivalents		(6,348)	(5,641)	2,383	457
Cash and cash equivalents at the beginning of the year		9,413	15,041	4,682	4,250
Effects of foreign currency exchange rate changes on cash and cash equivalents		13	13	(63)	(25)
Cash and cash equivalents at the end of the year	6	3,078	9,413	7,002	4,682
Non-cash financing activities	10(b)	29,033	7,662	3,446	1,261

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

Statements of Cash Flows
For the Year Ended 30 June 2022

	Notes	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash flows from operating activities:					
Proceeds related to financial instruments held at fair value through profit or loss		11,481	4,370	450,136	239,022
Payments related to financial instruments held at fair value through profit or loss		(13,369)	(4,822)	(236,283)	(413,900)
Interest received		–	1	–	77
Dividends received		295	255	49,905	51,441
Responsible Entity fees paid		(183)	(178)	(61,937)	(53,492)
Payment of other expenses		–	(4)	–	(11)
Net cash inflow/(outflow) from operating activities	10(a)	(1,776)	(378)	201,821	(176,863)
Cash flows from financing activities:					
Proceeds from applications by unitholders		15,911	7,231	780,235	963,546
Payments for redemptions made to unitholders		(11,856)	(5,631)	(932,315)	(795,756)
Distributions paid to unitholders		(2,150)	(996)	(24,771)	(32,007)
Net cash inflow/(outflow) from financing activities		1,905	604	(176,851)	135,783
Net increase/(decrease) in cash and cash equivalents					
Cash and cash equivalents at the beginning of the year		604	376	74,541	115,654
Effects of foreign currency exchange rate changes on cash and cash equivalents		(1)	2	313	(33)
Cash and cash equivalents at the end of the year	6	732	604	99,824	74,541
Non-cash financing activities	10(b)	5	198	49,294	11,846

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

1 General information

This financial report covers Arrowstreet Global Equity Fund, IFP Global Franchise Fund, IFP Global Franchise Fund II, Macquarie International Equities Fund, Macquarie International Infrastructure Securities Fund (Unhedged), Polaris Global Equity Fund, Walter Scott Emerging Markets Fund and Walter Scott Global Equity Fund (individually the "Trust", collectively the "Trusts") as individual entities. The Trusts are registered managed investment scheme domiciled in Australia. The Trusts did not have any employees during the financial years ended 30 June 2022 and 30 June 2021. The financial report of the Trusts is presented in Australian dollars, which is also the functional currency of the Trusts. The respective Trust's Constitution dates are as follows:

- Arrowstreet Global Equity Fund - 21 September 2006;
- IFP Global Franchise Fund - 10 November 2004;
- IFP Global Franchise Fund II - 25 September 2019;
- Macquarie International Equities Fund - 24 March 2005;
- Macquarie International Infrastructure Securities Fund (Unhedged) - 28 June 2013.
- Polaris Global Equity Fund - 4 June 2014;
- Walter Scott Emerging Markets Fund - 3 November 2009; and
- Walter Scott Global Equity Fund - 2 February 2005.

The Responsible Entity of the Trusts is Macquarie Investment Management Australia Limited ("MIMAL" or the "Responsible Entity"). The Responsible Entity's registered office is No. 50 Martin Place, Sydney, NSW 2000.

The respective Trust's Constitution allows the Attribution Managed Investment Trust ("AMIT") tax regime to apply to the Trusts. The Trusts met the AMIT eligibility criteria for the tax years ended 30 June 2022 and 30 June 2021. Consequently, the Responsible Entity is not contractually obligated to pay distributions to the unitholders and the units in the Trusts are classified as equity (see note 2(c), note 2(i) and note 5).

In addition, disclosures applicable to certain Trusts are as below:

- ***Arrowstreet Global Equity Fund***

The Investment Manager of the Trust is Arrowstreet Capital L.P. (the "Investment Manager").

- ***IFP Global Franchise Fund***

The Investment Manager of the Trust is Independent Franchise Partners LLP (the "Investment Manager").

- ***IFP Global Franchise Fund II***

The Investment Manager of the Trust is Independent Franchise Partners LLP (the "Investment Manager").

During the financial year ended 30 June 2021, Return to Work Corporation of South Australia became the parent and the ultimate parent of the Trust, upon acquiring the units in the Trust.

During the financial year ended 30 June 2022, Return to Work Corporation of South Australia ceased to be the parent and the ultimate parent of the Trust, upon issue of units by the Trust.

Notes to the Financial Statements For the Year Ended 30 June 2022

1 General information (continued)

- **Macquarie International Equities Fund**

The Investment Manager of the Trust is Macquarie Investment Management Global Limited ("MIMGL" or the "Investment Manager").

The parent and the ultimate parent of the Trust is Macquarie True Index International Equities Fund.

- **Macquarie International Infrastructure Securities Fund (Unhedged)**

The Investment Manager of the Trust is MIMGL (the "Investment Manager").

The parent and the ultimate parent of the Trust is Macquarie International Infrastructure Securities Fund (Hedged).

- **Polaris Global Equity Fund**

The Investment Manager of the Trust is Polaris Capital Management, LLC (the "Investment Manager").

- **Walter Scott Emerging Markets Fund**

The Investment Manager of the Trust is Walter Scott & Partners Limited (the "Investment Manager").

- **Walter Scott Global Equity Fund**

The Investment Manager of the Trust is Walter Scott & Partners Limited (the "Investment Manager").

The Trusts will continue to be managed in accordance with the investment objective and strategy set out in the respective Trust's offer document and in accordance with their respective Constitution.

The financial statements of the Trusts were authorised for issue by the directors on 19 September 2022. The directors of the Responsible Entity have the power to amend and reissue the financial report.

2 Summary of significant accounting policies

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

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the *Corporations Act 2001* in Australia. The Trusts are for-profit trusts for the purpose of preparing financial statements.

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

The statements of financial position are presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and financial liabilities held at fair value through profit or loss.

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Where necessary, comparative information has been reclassified to be consistent with current period disclosures.

Coronavirus (COVID-19) impact

The Novel Coronavirus (COVID-19) has had significant impacts on global economies and equity, debt and commodity markets, led to several changes in the economy and resulted in several support actions by financial markets, governments and regulators. The impact of COVID-19 continues to evolve and, where applicable, has been incorporated into the determination of the Trusts' results of operations and measurement of their assets and liabilities as at the reporting date.

The Trusts' processes to determine the impact of COVID-19 for these financial statements is consistent with the processes disclosed and applied in their prior period financial statements. There has been no impact on the going concern ability of the Trusts.

Considering the financial and economic impact of COVID-19 continues post the reporting date, it may impact future estimates and outcomes applied to the measuring of the Trusts' assets and liabilities. Other than adjusting events, if any, that provide evidence of conditions that existed at the end of the reporting period, the impact of events that arise after the reporting period will be accounted for in future reporting periods.

Changes to accounting standards and interpretations

There are no new accounting standards, amendments or interpretations that are effective for annual periods beginning on 1 July 2021 that have a material impact on the financial statements of the Trusts. In addition, there are no other standards, amendments or interpretations issued but not yet effective as at 30 June 2022 that are expected to have a material impact on the Trusts' financial statements.

Compliance with International Financial Reporting Standards

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

(b) Financial instruments

(i) Classification

The Trusts manage their investments on a fair value basis. All other assets and liabilities are carried at amortised cost. These are classified as below:

- *Financial assets held at fair value through profit or loss ("FVTPL")*

The Trusts classify their investments based on both their respective business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Trusts are primarily focussed on fair value information, and use that information to assess the assets' performance and to make decisions in accordance with the Trusts' documented investment strategy.

The Trusts may hold investment in equity securities which are measured at fair value through profit or loss.

In addition, the Trusts may hold derivatives such as futures, foreign currency forward contracts and warrants, which are measured at fair value through profit or loss. The Trusts do not designate any securities as hedges in a hedging relationship.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(i) Classification (continued)

- *Financial assets held at amortised cost*

A financial asset is measured at amortised cost, if it is held within a business model whose objective is to hold to collect contractual cash flows and the contractual terms give rise on specified dates to cash flows that represent solely payment of principal and interest.

The Trusts may hold short-term receivables, such as margins placed on derivative contracts, amounts due from brokers, dividends receivable and other receivables, at amortised cost.

- *Financial liabilities*

A financial liability is measured at FVTPL if it meets the definition of held for trading. Derivative contracts that have a negative fair value are also included in this category.

Financial liabilities, other than those measured at FVTPL, are measured at amortised cost. These include fees payable and other short-term payables.

(ii) Recognition/derecognition

The Trusts recognise financial assets and financial liabilities on the date they become party to the contractual agreement (trade date).

Financial assets are derecognised when the right to receive cash flows from the investments has expired and the Trusts have transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities is discharged, cancelled or has expired.

(iii) Measurement

- *Financial instruments held at FVTPL*

Financial assets and financial liabilities held at FVTPL are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial instruments held at FVTPL are expensed immediately in the statements of comprehensive income.

Subsequent to initial recognition, all financial instruments held at FVTPL are measured at fair value, with changes in their fair value recognised as net gains or losses on financial instruments held at fair value through profit or loss in the statements of comprehensive income.

Fair value in an active market

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Measurement (continued)

- *Financial instruments held at FVTPL (continued)*

Fair value in an inactive or unquoted market

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

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

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

The fair value of derivatives that are not exchange traded is estimated at the amount that the Trusts would receive or pay to terminate the contract as at the reporting date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties.

Details on how the fair value of financial instruments is determined are disclosed in note 3(e).

- *Financial instruments held at amortised cost*

Financial assets and liabilities, other than those classified as FVTPL, are initially measured at fair value adjusted by transaction costs and subsequently amortised using the effective interest rate ("EIR") method.

The EIR is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating and recognising the interest income or interest expense in the statements of comprehensive income over the life of a financial asset or a financial liability. The EIR is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where applicable, to the net carrying amount of the financial asset or liability.

- *Impairment*

The Expected Credit Loss ("ECL") requirements for the Trusts apply to financial assets measured at amortised cost, such as margins placed on derivative contracts, amounts due from brokers, dividends receivable and other receivables. The Trusts apply a three-stage approach (Stage I - 12 month ECL, Stage II - Lifetime ECL not credit impaired and Stage III - Lifetime ECL credit impaired) to measure ECL based on changes in the financial asset's underlying credit risk and includes forward-looking and macro-economic information. The 12 month ECL is the portion of lifetime ECL that results from default events that are possible within the 12 months after the reporting date. ECL is modelled as the product of the probability of default, the loss given default and the exposure at default.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(b) Financial instruments (continued)

(iv) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the financial asset and settle the financial liability simultaneously.

(c) Net assets attributable to unitholders

Units are redeemable at the unitholders' option based on the redemption price, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The fair value of redeemable units is measured at the redemption amount that is payable (based on the redemption unit price) as at the reporting date if unitholders exercised their right to redeem their units.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain criteria are met. The Trusts classify the net assets attributable to unitholders as equity as they satisfy all of the following criteria:

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

(d) Cash and cash equivalents

For the purpose of presentation in the statements of cash flows, cash includes cash on hand and deposits held at call with financial institutions. Cash equivalents include other short-term, highly liquid investments with original maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Bank overdrafts, if any, are considered as cash and cash equivalents. However, these are disclosed under liabilities on the statements of financial position.

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

(e) Margin accounts

Margin accounts comprise cash held with brokers for derivative transactions. The cash is only available to meet margin calls.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(f) Income

Interest income is recognised in the statements of comprehensive income using the EIR method for all financial instruments that are not held at fair value through profit or loss.

Dividend income is recognised on the ex-dividend date, when the right to receive payment is established, with any related withholding tax recorded as an expense.

Gains or losses arising from changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in note 2(b).

(g) Expenses

All expenses, including Responsible Entity fees, are recognised in the statements of comprehensive income on an accruals basis.

(h) Income tax

Under current legislation, the Trusts are not subject to income tax as income of the Trusts is attributed to the unitholders.

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be attributed to unitholders so that the Trusts are not subject to capital gains tax.

Realised capital losses are not attributed to unitholders but are retained in the Trusts to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is distributed to unitholders.

The Trusts may incur withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax, and withholding tax is recognised as an expense in the statements of comprehensive income.

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

(i) Distributions to unitholders

In accordance with the respective Trust's Constitution, distributions to unitholders are determined by the Responsible Entity of the Trusts. The Responsible Entity attributes the Trusts' income to unitholders on a fair and reasonable basis, however, the Responsible Entity does not have a requirement under the respective Trust's Constitution to distribute the Trusts' income to unitholders. Distributions to unitholders in the form of cash or reinvestments, are recognised in the statements of changes in equity.

(j) Foreign currency translation

(i) Functional and presentation currency

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(j) Foreign currency translation (continued)

(ii) Transactions and balances

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

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

(k) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not delivered as at the reporting date.

(l) Receivables

Receivables include assets and accrued income owing to the Trusts which have not been received as at the reporting date and may include such items as interest, dividends and Reduced Input Tax Credits ("RITC").

Interest is accrued as at the reporting date from the time of last payment in accordance with the policy set out in note 2(f) above. Dividends are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

(m) Payables

Payables include liabilities and accrued expenses owing by the Trusts which are unpaid as at the reporting date.

The amount payable to unitholders towards redemption of units and distributions as at the reporting date is recognised separately in the statements of financial position.

The withholding tax payable as at the reporting date is recognised separately in the statements of financial position as under certain circumstances tax is withheld from distributions to unitholders in accordance with applicable legislation.

(n) Applications and redemptions

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

(o) Goods and Services Tax ("GST")

Income, expenses and assets are recognised net of the amount of GST to the extent that the GST is recoverable from the Australian Taxation Office ("ATO"). Where GST is not recoverable, it is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are recognised inclusive of GST. GST recoverable from or payable to the ATO is recorded as receivables or payables in the statements of financial position.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of significant accounting policies (continued)

(o) Goods and Services Tax ("GST") (continued)

Cash flows relating to GST, recoverable from, or payable to, the ATO are included as cash flows from operating activities and are disclosed in the statements of cash flows on a gross basis.

(p) Use of estimates

The Responsible Entity 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 experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Trust's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example, over-the-counter derivatives and unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

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

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

(q) Rounding of amounts

In accordance with *Australian Securities and Investments Commission Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, amounts in the directors' report and the financial report have been rounded to the nearest thousand Australian dollars, unless otherwise indicated.

(r) Multi-fund booklet

The relief available in *Australian Securities and Investments Commission Corporations (Related Scheme Reports) Instrument 2015/839* has been applied in the directors' report and the financial report, combining information related to multiple Trusts. In accordance with that, information related to each included Trust has been readily identified and amounts for each included Trust are presented in the adjacent columns in this report.

3 Financial risk management

(a) Strategy in using financial instruments

The Trusts' activities expose them to a variety of financial risks: market risk, credit risk and liquidity risk.

The Responsible Entity's overall risk management programme focuses on ensuring compliance with the Trusts' investment guidelines and seeks to maximise the returns derived for the level of risk to which the Trusts are exposed. The Trusts may use derivatives and other instruments for trading purposes and in connection with their risk management activities.

Financial risk management is monitored by the Responsible Entity's risk management department under policies approved by the Responsible Entity's senior managers or by the Board of Directors of the Responsible Entity.

The Responsible Entity reviews any identified high and medium severity exceptions to internal risk policies and procedures on a quarterly basis.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(a) Strategy in using financial instruments (continued)

In addition, disclosures applicable to certain Trusts are as below:

- ***Arrowstreet Global Equity Fund***

The Trust may use foreign currency forward contracts to facilitate the settlement of investment transactions and to manage foreign exchange risk within the portfolio.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***IFP Global Franchise Fund***

The Trust may use foreign currency forward contracts to facilitate the settlement of investment transactions and to manage foreign exchange risk within the portfolio.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***IFP Global Franchise Fund II***

The Trust may use foreign currency forward contracts to facilitate the settlement of investment transactions and to manage foreign exchange risk within the portfolio.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***Macquarie International Equities Fund***

The Trust may use:

- derivative financial instruments to gain market exposure for any cash in the portfolio; and
- foreign currency forward contracts to facilitate the settlement of investment transactions and to manage foreign exchange risk within the portfolio.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

The Trust may use derivative financial instruments to gain market exposure for any cash in the portfolio.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***Polaris Global Equity Fund***

The Trust may use derivative financial instruments to gain market exposure for any cash in the portfolio.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(a) Strategy in using financial instruments (continued)

- ***Polaris Global Equity Fund (continued)***

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***Walter Scott Emerging Markets Fund***

The Trust may use derivative financial instruments to facilitate the settlement of investment transactions.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

- ***Walter Scott Global Equity Fund***

The Trust may use derivative financial instruments to facilitate the settlement of investment transactions.

Derivatives are not used to gear (leverage) the portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceed the underlying value of the Trust.

(b) Market risk

Market risk is the risk of changes in the value of the Trusts' financial instruments from changes in market prices or volatility arising from price risk, foreign exchange risk and interest rate risk.

(i) Price risk

Price risk is the risk of changes in the value of the Trusts' financial instruments from changes in market prices.

All securities investments present a risk of loss of capital. The Investment Manager manages this risk through a careful selection of securities and other financial instruments within specified limits. The Trusts' positions are monitored on a daily basis by the Responsible Entity.

In addition, disclosures applicable to certain Trusts are as below:

- ***Arrowstreet Global Equity Fund***

The Trust trades in financial instruments such as exchange traded instruments, over-the-counter derivatives and unlisted equity securities.

Price risk is managed by:

- managing the cash levels within the Trust;
- managing exposure to non-index stocks;
- seeking to ensure stock weights are within defined limits;
- ensuring the Trust is tracking its benchmark within permitted limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- restricting the Trust from stock lending;

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

- ***Arrowstreet Global Equity Fund (continued)***

- restricting the Trust from short selling or stock borrowing;
- managing exposure to geographical regions;
- seeking to ensure sector weights are within defined limits;
- managing exposure to specific countries within defined limits; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

- ***IFP Global Franchise Fund***

The Trust trades in financial instruments such as exchange traded instruments, including derivatives.

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure stock weights are within defined limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;
- seeking to ensure sector weights are within defined limits;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

- ***IFP Global Franchise Fund II***

The Trust trades in financial instruments such as exchange traded instruments, including derivatives.

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure stock weights are within defined limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

- ***IFP Global Franchise Fund II (continued)***

- seeking to ensure sector weights are within defined limits;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

- ***Macquarie International Equities Fund***

The Trust trades in financial instruments such as exchange traded instruments, including derivatives, and unlisted equity securities.

Price risk is managed by:

- managing the cash levels within the Trust;
- managing exposure to non-index stocks;
- seeking to ensure stock weights are within defined limits;
- ensuring the Trust is tracking its benchmark within permitted limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- managing exposure to index futures contracts;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;
- managing exposure to geographical regions;
- seeking to ensure sector weights are within defined limits;
- managing exposure to specific countries within defined limits; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

The Trust trades in financial instruments such as exchange traded instruments.

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure stock weights are within defined limits;

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

- ***Macquarie International Infrastructure Securities Fund (Unhedged) (continued)***

- ensuring the Trust is tracking its benchmark within permitted limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- managing exposure to index futures contracts;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;
- managing exposure to geographical regions;
- seeking to ensure sector weights are within defined limits;
- managing exposure to specific countries within defined limits;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

- ***Polaris Global Equity Fund***

The Trust trades in financial instruments such as exchange traded instruments.

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure stock weights are within defined limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- managing exposure to index futures contracts;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;
- managing exposure to geographical regions;
- managing exposure to specific countries within defined limits;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

- ***Walter Scott Emerging Markets Fund***

The Trust trades in financial instruments such as exchange traded instruments.

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure stock weights are within defined limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;
- managing exposure to geographical regions;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

- ***Walter Scott Global Equity Fund***

The Trust trades in financial instruments such as exchange traded instruments and over-the-counter instruments.

Price risk is managed by:

- managing the cash levels within the Trust;
- seeking to ensure stock weights are within defined limits;
- seeking to ensure that the Trust is investing in accordance with its stated objectives;
- restricting the Trust from stock lending;
- restricting the Trust from short selling or stock borrowing;
- managing the number of securities to ensure diversification across multiple stocks; and
- ensuring the Trust is investing in permitted investments as per the Trust's offer document.

The Trusts' equity securities and derivatives are susceptible to market price risk arising from uncertainties about future prices of the instruments.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(i) Price risk (continued)

The Trusts' market risk is affected by changes in market prices. The impact on profit/net assets attributable to unitholders owing to a 10% (2021: 10%) market price movement, with all other variables held constant, would amount to the following.

In practice, the actual results may differ from the below sensitivity analysis and the difference could be significant.

	2022		2021	
	Effect on profit/(loss) and net assets attributable to unitholders			
	10% increase	10% decrease	10% increase	10% decrease
	\$'000	\$'000	\$'000	\$'000
Arrowstreet Global Equity Fund	318,918	(318,918)	307,325	(307,325)
IFP Global Franchise Fund	158,093	(158,093)	189,041	(189,041)
IFP Global Franchise Fund II	48,249	(48,249)	23,469	(23,469)
Macquarie International Equities Fund	128,477	(128,477)	114,145	(114,145)
Macquarie International Infrastructure Securities Fund (Unhedged)	33,422	(33,422)	34,702	(34,702)
Polaris Global Equity Fund	22,455	(22,455)	23,235	(23,235)
Walter Scott Emerging Markets Fund	1,350	(1,350)	1,450	(1,450)
Walter Scott Global Equity Fund	409,690	(409,690)	473,234	(473,234)

(ii) Foreign exchange risk

Foreign exchange risk arises as the value of monetary assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Trusts hold both monetary and non-monetary assets and liabilities denominated in currencies other than the Australian dollar. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk, not foreign exchange risk.

In addition, disclosures applicable to certain Trusts are as below:

- **Arrowstreet Global Equity Fund**

Foreign exchange risk on monetary and non-monetary assets and liabilities is managed by:

- managing currency exposure within limits; and
- hedging undesired currency exposure.

- **IFP Global Franchise Fund**

Foreign exchange exposure is not hedged as the Trust's strategy is to remain unhedged.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

- ***IFP Global Franchise Fund II***

Foreign exchange exposure is not hedged as the Trust's strategy is to remain unhedged.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

- ***Macquarie International Equities Fund***

Foreign exchange exposure is not hedged, as the Trust's strategy is to remain unhedged to be in line with the unhedged benchmark.

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

Foreign exchange exposure is not hedged, as the Trust's strategy is to remain unhedged to be in line with the unhedged benchmark.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

- ***Polaris Global Equity Fund***

Foreign exchange exposure is not hedged as the Trust's strategy is to remain unhedged.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

- ***Walter Scott Emerging Markets Fund***

Foreign exchange exposure is not hedged as the Trust's strategy is to remain unhedged.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

- ***Walter Scott Global Equity Fund***

Foreign exchange exposure is not hedged as the Trust's strategy is to remain unhedged.

The Trust is not exposed to significant foreign exchange risk on monetary assets and liabilities as the majority of the Trust's monetary assets and liabilities are denominated in Australian dollars.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

Concentration and monitoring of currency risk

Notwithstanding that investments in non-monetary items do not give rise to currency risk under the accounting standards, the Trusts monitor their exposure to each currency on both monetary and non-monetary assets and liabilities as a percentage of net assets attributable to unitholders.

The tables below summarise the Trusts' monetary and non-monetary assets and liabilities denominated in Australian dollars and other currencies as a percentage of net assets attributable to unitholders.

	Arrowstreet Global Equity Fund			
	Monetary assets and liabilities as a % of net assets attributable to unitholders*		Total assets and liabilities as a % of net assets attributable to unitholders*	
	2022	2021	2022	2021
Currency				
AUD	-4%	-12%	-4%	-12%
USD	4%	11%	63%	72%
Other currencies	-	1%	41%	40%
Total			100%	100%

	Macquarie International Equities Fund			
	Monetary assets and liabilities as a % of net assets attributable to unitholders*		Total assets and liabilities as a % of net assets attributable to unitholders*	
	2022	2021	2022	2021
Currency				
AUD	-2%	-	-2%	-
USD	2%	3%	72%	69%
Other currencies	-	1%	30%	31%
Total			100%	100%

*The foreign currency exposure relating to monetary assets and liabilities as a percentage of net assets attributable to unitholders is shown as Nil in the tables above where it is individually not material to the Trusts (which is considered as less than 1% of net assets attributable to unitholders).

Foreign exchange risk on monetary assets and monetary liabilities is measured using sensitivity analysis. The following tables summarise the sensitivity of the Trusts to foreign exchange risk as at 30 June 2022 and 30 June 2021. The sensitivity of profit/(loss) for the financial year and the impact on net assets attributable to unitholders is the effect of a reasonably possible change in foreign exchange rates on monetary assets and liabilities held as at the reporting date. If exchange rates increased or decreased by 15% (2021: 15%), with all other variables remaining constant, the approximate movement in profit/net assets attributable to unitholders would amount to the following.

In practice, the actual results may differ from the below sensitivity analysis and the difference could be significant.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk (continued)

	Arrowstreet Global Equity Fund	
	Foreign exchange risk	
	2022	2021
	USD	USD
	+15%/-15%	+15%/-15%
	A\$'000	A\$'000
Impact on profit/net assets attributable to unitholders	17,479/(17,479)	49,006/(49,006)

	Macquarie International Equities Fund	
	Foreign exchange risk	
	2022	2021
	USD	USD
	+15%/-15%	+15%/-15%
	A\$'000	A\$'000
Impact on profit/net assets attributable to unitholders	3,230/(3,230)	4,978/(4,978)

(iii) Interest rate risk

Interest rate risk is the risk of changes in the value of the Trusts' financial instruments from changes in market interest rates.

The Trusts are not subject to significant amounts of interest rate risk due to fluctuations in the prevailing levels of market interest rates. Any excess cash and cash equivalents are invested at short-term market interest rates.

(c) Credit risk

Credit risk is the risk of a counterparty failing to complete its contractual obligations when they fall due, causing a financial loss to the Trusts.

The maximum exposure to credit risk as at the reporting date is the carrying amount of financial assets.

The counterparties for cash and cash equivalents, deposits with banks and other financial institutions, and derivatives have an investment grade credit rating (2021: investment grade credit rating) as determined by Standard and Poor's rating agency.

In accordance with the Trusts' policy, the Responsible Entity's risk management department monitors the Trusts' credit exposure on a daily basis.

In addition, disclosures applicable to certain Trusts are as below:

- **Arrowstreet Global Equity Fund**

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, counterparties to derivatives and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(c) Credit risk (continued)

- ***IFP Global Franchise Fund***

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

- ***IFP Global Franchise Fund II***

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

- ***Macquarie International Equities Fund***

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Credit risk is managed by:

- managing the Trust's exposures to deposit taking institutions, brokers and other counterparties;
- maintaining an approved broker and counterparty panel; and
- ensuring over-the-counter derivatives are traded with appropriately rated counterparties.

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Credit risk is managed by maintaining an approved broker and counterparty panel.

- ***Polaris Global Equity Fund***

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

- ***Walter Scott Emerging Markets Fund***

Credit risk arises from cash and cash equivalents. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Credit risk is managed by maintaining an approved broker and counterparty panel.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(c) Credit risk (continued)

- **Walter Scott Global Equity Fund**

Credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions, and amounts due from brokers. Application of the ECL has not resulted in any adjustment to the carrying value of these assets/recognition of the ECL allowance, as these assets are short-term in nature or of high quality, with no significant historical loss experience.

Credit risk is managed by maintaining an approved broker and counterparty panel.

(d) Liquidity risk

Liquidity risk is the risk that the Trusts may encounter difficulty in meeting their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Trusts are exposed to daily cash redemptions of redeemable units. They therefore invest the majority of their assets in investments that are traded in an active market and can be readily disposed of.

The investments of the Trusts may become illiquid. As a result, the Trusts may not be able to liquidate quickly their investments in these instruments at an amount close to their fair value, or at all, to meet their liquidity requirements. No such investments were held as at the reporting date except for Arrowstreet Global Equity Fund and Macquarie International Equities Fund.

In order to manage the Trusts' overall liquidity, the Responsible Entity has the discretion to defer or adjust the redemption of units if the exercise of such discretion is in the best interests of unitholders.

In addition, disclosures applicable to certain Trusts are as below:

- **Arrowstreet Global Equity Fund**

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

Derivative liabilities are generally settled in less than 3 months at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, since they are not held for settlement according to such maturity and will frequently be settled in the short-term at fair value. All other liabilities are payable within 30 days (2021: 30 days).

- **IFP Global Franchise Fund**

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

All liabilities are payable within 30 days (2021: 30 days).

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(d) Liquidity risk (continued)

- ***IFP Global Franchise Fund II***

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

All liabilities are payable within 30 days (2021: 30 days).

- ***Macquarie International Equities Fund***

Liquidity risk is managed by restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

Derivative liabilities are generally settled in less than 3 months at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity, since they are not held for settlement according to such maturity and will frequently be settled in the short-term at fair value. All other liabilities are payable within 30 days (2021: 30 days).

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

All liabilities are payable within 30 days (2021: 30 days).

- ***Polaris Global Equity Fund***

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

All liabilities are payable within 30 days (2021: 30 days).

- ***Walter Scott Emerging Markets Fund***

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(d) Liquidity risk (continued)

- **Walter Scott Emerging Markets Fund (continued)**

All liabilities are payable within 30 days (2021: 30 days).

- **Walter Scott Global Equity Fund**

Liquidity risk is managed by:

- managing the Trust's ownership of each security's issued capital; and
- restricting the use of borrowing in order to ensure the Trust has no debt obligations which may compromise solvency.

All liabilities are payable within 30 days (2021: 30 days).

(e) Fair value estimation

The Responsible Entity classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(e) Fair value estimation (continued)

The following tables present those of the Trusts' financial assets and financial liabilities (by class) which are measured at fair value.

Arrowstreet Global Equity Fund				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Derivatives	–	216,117	–	216,117
- Equity securities	3,117,971	–	74	3,118,045
Total financial assets	3,117,971	216,117	74	3,334,162
Financial liabilities				
- Derivatives	–	144,983	–	144,983
Total financial liabilities	–	144,983	–	144,983
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Derivatives	–	19,261	–	19,261
- Equity securities	3,079,496	–	–	3,079,496
Total financial assets	3,079,496	19,261	–	3,098,757
Financial liabilities				
- Derivatives	–	25,504	–	25,504
Total financial liabilities	–	25,504	–	25,504

During the financial year, there were no transfers between level 1 and 2 (2021: Nil).

IFP Global Franchise Fund				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	1,580,934	–	–	1,580,934
Total financial assets	1,580,934	–	–	1,580,934
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Derivatives	108	–	–	108
- Equity securities	1,890,302	–	–	1,890,302
Total financial assets	1,890,410	–	–	1,890,410

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(e) Fair value estimation (continued)

IFP Global Franchise Fund II				
30 June 2022	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
- Equity securities	482,487	-	-	482,487
Total financial assets	482,487	-	-	482,487
30 June 2021				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
- Derivatives	4	-	-	4
- Equity securities	234,684	-	-	234,684
Total financial assets	234,688	-	-	234,688

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

Macquarie International Equities Fund				
30 June 2022	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
- Derivatives	180	-	-	180
- Equity securities	1,277,074	-	4	1,277,078
Total financial assets	1,277,254	-	4	1,277,258
Financial liabilities				
- Derivatives	26	-	-	26
Total financial liabilities	26	-	-	26
30 June 2021				
	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
- Derivatives	419	-	-	419
- Equity securities	1,097,750	16	-	1,097,766
Total financial assets	1,098,169	16	-	1,098,185
Financial liabilities				
- Derivatives	169	-	-	169
Total financial liabilities	169	-	-	169

During the financial year, there were no transfers between level 1 and 2 (2021: Nil).

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(e) Fair value estimation (continued)

Macquarie International Infrastructure Securities Fund (Unhedged)				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	334,216	-	-	334,216
Total financial assets	<u>334,216</u>	<u>-</u>	<u>-</u>	<u>334,216</u>
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	347,018	-	-	347,018
Total financial assets	<u>347,018</u>	<u>-</u>	<u>-</u>	<u>347,018</u>

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

Polaris Global Equity Fund				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	224,552	-	-	224,552
Total financial assets	<u>224,552</u>	<u>-</u>	<u>-</u>	<u>224,552</u>
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	232,349	-	-	232,349
Total financial assets	<u>232,349</u>	<u>-</u>	<u>-</u>	<u>232,349</u>

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

Walter Scott Emerging Markets Fund				
30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	13,505	-	-	13,505
Total financial assets	<u>13,505</u>	<u>-</u>	<u>-</u>	<u>13,505</u>
30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets				
- Equity securities	14,505	-	-	14,505
Total financial assets	<u>14,505</u>	<u>-</u>	<u>-</u>	<u>14,505</u>

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

Notes to the Financial Statements
For the Year Ended 30 June 2022

3 Financial risk management (continued)

(e) Fair value estimation (continued)

Walter Scott Global Equity Fund				
30 June 2022	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
- Equity securities	4,096,897	-	-	4,096,897
Total financial assets	4,096,897	-	-	4,096,897
30 June 2021	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
Financial assets				
- Equity securities	4,732,343	-	-	4,732,343
Total financial assets	4,732,343	-	-	4,732,343

During the financial year, there were no transfers between level 1 and 2 or into/out of level 3 (2021: Nil).

The carrying amounts of those of the Trusts' financial assets and financial liabilities, which are not fair valued, approximated their fair values as at the reporting date. These include short-term receivables and payables, and are not presented in the tables above.

The fair value of listed equity securities as well as publicly traded derivatives is based on quoted market prices or binding dealer price quotations as at the reporting date (bid price for long positions and ask price for short positions) and have therefore been classified as level 1 in the fair value hierarchy.

For over-the-counter derivatives and rights on listed equity securities, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models. These financial instruments have therefore been classified as level 2 in the fair value hierarchy.

Investments classified within level 3 have significant unobservable inputs as they trade infrequently. The valuation inputs for these investments are not based on market observable data. The fair value of these securities has been assessed by the Valuation Committee of the Responsible Entity who has determined the best estimate valuation for the securities based on available information. Details related to the level 3 securities are not disclosed, as the amounts are not material to the respective Trusts.

(f) Offsetting financial instruments

Financial assets and financial liabilities are presented net in the statements of financial position where the Trusts currently have a legally enforceable right to set off the recognised amounts and intend either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

Certain derivative financial assets and financial liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association ("ISDA") master netting agreement. Under the terms of these arrangements, if on any date amounts would otherwise be payable in the same currency and in respect to the same transaction with the counterparty, the obligation may be automatically satisfied and discharged if the party with the larger aggregate amount pays to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(f) Offsetting financial instruments (continued)

In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed, and only a net amount is payable in settlement of all transactions. The aggregation into a net position owing to/ receivable from a single counterparty is subject to the terms of the arrangements and the insolvency laws of the relevant jurisdiction of the party in default.

The following tables provide information on the impact of offsetting of derivative financial instruments in the statements of financial position and in circumstances where all outstanding transactions under an ISDA agreement are terminated:

Arrowstreet Global Equity Fund

30 June 2022	Effects of offsetting in the statement of financial position					
	Gross amounts of financial assets and financial liabilities \$'000	Gross amounts offset \$'000	Net amount presented in statement of financial position \$'000	Amounts subject to master netting arrangements \$'000	Cash collateral pledged/ received \$'000	Net amount \$'000
Financial assets						
Derivatives	216,117	–	216,117	144,889	–	71,228
Total	216,117	–	216,117	144,889	–	71,228
Financial liabilities						
Derivatives	144,983	–	144,983	144,889	–	94
Total	144,983	–	144,983	144,889	–	94

30 June 2021	Effects of offsetting in the statement of financial position					
	Gross amounts of financial assets and financial liabilities \$'000	Gross amounts offset \$'000	Net amount presented in statement of financial position \$'000	Amounts subject to master netting arrangements \$'000	Cash collateral pledged/ received \$'000	Net amount \$'000
Financial assets						
Derivatives	20,996	1,735	19,261	19,261	–	–
Total	20,996	1,735	19,261	19,261	–	–
Financial liabilities						
Derivatives	27,239	1,735	25,504	19,261	–	6,243
Total	27,239	1,735	25,504	19,261	–	6,243

- **IFP Global Franchise Fund**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

- **IFP Global Franchise Fund II**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Financial risk management (continued)

(f) Offsetting financial instruments (continued)

- **Macquarie International Equities Fund**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

- **Macquarie International Infrastructure Securities Fund (Unhedged)**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

- **Polaris Global Equity Fund**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

- **Walter Scott Emerging Markets Fund**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

- **Walter Scott Global Equity Fund**

As at 30 June 2022 and 30 June 2021, there were no amounts which would be available for netting.

4 Auditor's remuneration

During the financial year, the following fees were paid or payable for services provided by Ernst & Young, the auditor of the Trusts:

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022	2021	2022	2021
	\$	\$	\$	\$
Audit services				
Audit of financial reports	9,554	9,093	9,554	9,093
Other audit work under the <i>Corporations Act 2001</i>	904	743	904	743
Non-audit services				
Taxation compliance services	1,080	1,050	1,080	1,050
Total remuneration paid/payable	11,538	10,886	11,538	10,886

Notes to the Financial Statements

For the Year Ended 30 June 2022

4 Auditor's remuneration (continued)

	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022 \$	2021 \$	2022 \$	2021 \$
Audit services				
Audit of financial reports	6,613	6,293	6,850	6,519
Other audit work under the <i>Corporations Act 2001</i>	904	743	904	743
Non-audit services				
Taxation compliance services	1,080	1,050	1,080	1,050
Total remuneration paid/payable	8,597	8,086	8,834	8,312

	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022 \$	2021 \$	2022 \$	2021 \$
Audit services				
Audit of financial reports	8,850	6,519	6,850	6,519
Other audit work under the <i>Corporations Act 2001</i>	904	743	904	743
Non-audit services				
Taxation compliance services	1,080	1,050	1,080	1,050
Total remuneration paid/payable	10,834	8,312	8,834	8,312

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022 \$	2021 \$	2022 \$	2021 \$
Audit services				
Audit of financial reports	6,850	6,519	9,554	9,093
Other audit work under the <i>Corporations Act 2001</i>	904	743	904	743
Non-audit services				
Taxation compliance services	1,080	1,050	1,080	1,050
Total remuneration paid/payable	8,834	8,312	11,538	10,886

Audit fees are paid out of the Responsible Entity's own resources except for Macquarie International Equities Fund and Macquarie International Infrastructure Securities Fund (Unhedged), where it is borne by those Trusts.

5 Net assets attributable to unitholders

As stipulated within the respective Trust's Constitution, each unit represents an undivided share in the beneficial interest in the Trusts. There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Trusts.

The Trusts meet the criteria set out under AASB 132, hence the net assets attributable to unitholders is classified as equity (see note 2(c)).

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Net assets attributable to unitholders (continued)

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

	Arrowstreet Global Equity Fund			
	2022 No. '000	2021 No. '000	2022 \$'000	2021 \$'000
Opening balance	2,628,717	2,337,570	3,064,814	2,365,533
Applications	1,051,094	787,610	1,271,312	917,247
Redemptions	(741,248)	(759,900)	(894,208)	(909,416)
Units issued upon reinvestment of distributions	108,888	263,437	115,733	307,117
Distributions to unitholders	–	–	(197,980)	(512,670)
Profit/(loss) for the year	–	–	(161,549)	897,003
Closing balance	3,047,451	2,628,717	3,198,122	3,064,814

	IFP Global Franchise Fund			
	2022 No. '000	2021 No. '000	2022 \$'000	2021 \$'000
Opening balance	744,771	678,433	1,817,893	1,446,570
Applications	102,936	169,649	262,474	379,540
Redemptions	(197,626)	(114,673)	(502,006)	(264,388)
Units issued upon reinvestment of distributions	18,740	11,362	40,320	27,744
Distributions to unitholders	–	–	(195,288)	(102,479)
Profit/(loss) for the year	–	–	16,055	330,906
Closing balance	668,821	744,771	1,439,448	1,817,893

	IFP Global Franchise Fund II			
	2022 No. '000	2021 No. '000	2022 \$'000	2021 \$'000
Opening balance	200,554	45,428	240,574	45,460
Applications	235,410	168,091	288,213	184,040
Redemptions	(11,972)	(13,118)	(14,906)	(14,020)
Units issued upon reinvestment of distributions	4,918	153	5,673	183
Distributions to unitholders	–	–	(7,002)	(234)
Profit/(loss) for the year	–	–	(17,761)	25,145
Closing balance	428,910	200,554	494,791	240,574

	Macquarie International Equities Fund			
	2022 No. '000	2021 No. '000	2022 \$'000	2021 \$'000
Opening balance	516,960	389,389	1,144,955	690,377
Applications	190,057	161,643	435,867	326,871
Redemptions	(86,910)	(44,517)	(198,549)	(87,881)
Units issued upon reinvestment of distributions	14,774	10,445	31,329	22,758
Distributions to unitholders	–	–	(31,350)	(22,779)
Profit/(loss) for the year	–	–	(95,578)	215,609
Closing balance	634,881	516,960	1,286,674	1,144,955

Notes to the Financial Statements
For the Year Ended 30 June 2022

5 Net assets attributable to unitholders (continued)

**Macquarie International Infrastructure Securities Fund
(Unhedged)**

	2022	2021	2022	2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	295,031	329,541	339,666	344,936
Applications	37,881	73,802	46,728	79,733
Redemptions	(97,841)	(115,358)	(121,043)	(125,510)
Units issued upon reinvestment of distributions	25,368	7,046	29,033	7,662
Distributions to unitholders	–	–	(40,046)	(10,045)
Profit/(loss) for the year	–	–	39,951	42,890
Closing balance	260,439	295,031	294,289	339,666

Polaris Global Equity Fund

	2022	2021	2022	2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	142,528	124,742	236,507	151,064
Applications	34,036	51,911	57,561	82,163
Redemptions	(24,708)	(34,917)	(40,379)	(52,273)
Units issued upon reinvestment of distributions	2,274	792	3,446	1,261
Distributions to unitholders	–	–	(6,605)	(2,226)
Profit/(loss) for the year	–	–	(21,317)	56,518
Closing balance	154,130	142,528	229,213	236,507

Walter Scott Emerging Markets Fund

	2022	2021	2022	2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	11,479	10,111	12,965	11,269
Applications	15,907	5,846	15,911	7,231
Redemptions	(12,078)	(4,653)	(11,828)	(5,570)
Units issued upon reinvestment of distributions	6	175	5	198
Distributions to unitholders	–	–	(83)	(2,347)
Profit/(loss) for the year	–	–	(2,801)	2,184
Closing balance	15,314	11,479	14,169	12,965

Walter Scott Global Equity Fund

	2022	2021	2022	2021
	No. '000	No. '000	\$'000	\$'000
Opening balance	1,350,413	1,305,552	4,718,830	3,741,486
Applications	216,552	309,705	780,235	963,546
Redemptions	(248,967)	(268,233)	(889,682)	(844,471)
Units issued upon reinvestment of distributions	16,143	3,389	49,294	11,846
Distributions to unitholders	–	–	(147,813)	(36,617)
Profit/(loss) for the year	–	–	(437,939)	883,040
Closing balance	1,334,141	1,350,413	4,072,925	4,718,830

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Net assets attributable to unitholders (continued)

Capital risk management

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

The Responsible Entity monitors the impact of applications and redemptions relative to the liquid assets in the Trusts.

6 Cash and cash equivalents

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	135,620	93,999	30,233	13,518
Total cash and cash equivalents	135,620	93,999	30,233	13,518

	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	13,869	–	24,911	30,333
Bank overdraft	–	8,843	–	–
Total cash and cash equivalents	13,869	(8,843)	24,911	30,333

	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	3,078	9,413	7,002	4,682
Total cash and cash equivalents	3,078	9,413	7,002	4,682

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Cash at bank	732	604	99,824	74,541
Total cash and cash equivalents	732	604	99,824	74,541

Notes to the Financial Statements
For the Year Ended 30 June 2022

7 Financial assets held at fair value through profit or loss

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022 Fair value \$'000	2021 Fair value \$'000	2022 Fair value \$'000	2021 Fair value \$'000
Derivatives				
Foreign currency forward contracts	216,117	19,261	–	–
Warrants	–	–	–	108
Total derivatives	216,117	19,261	–	108
Equity securities				
Listed equity securities	3,068,930	3,024,403	1,580,934	1,890,302
Listed preference securities	49,041	55,093	–	–
Unlisted equity securities	74	–	–	–
Total equity securities	3,118,045	3,079,496	1,580,934	1,890,302
Total financial assets held at fair value through profit or loss	3,334,162	3,098,757	1,580,934	1,890,410

	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022 Fair value \$'000	2021 Fair value \$'000	2022 Fair value \$'000	2021 Fair value \$'000
Derivatives				
Share price index futures	–	–	108	386
Warrants	–	4	72	33
Total derivatives	–	4	180	419
Equity securities				
Listed equity securities	482,487	234,684	1,275,422	1,095,584
Listed preference securities	–	–	1,652	2,166
Rights on listed equity securities	–	–	–	16
Unlisted equity securities	–	–	4	–
Total equity securities	482,487	234,684	1,277,078	1,097,766
Total financial assets held at fair value through profit or loss	482,487	234,688	1,277,258	1,098,185

Notes to the Financial Statements
For the Year Ended 30 June 2022

7 Financial assets held at fair value through profit or loss (continued)

	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022	2021	2022	2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Equity securities				
Listed equity securities	334,216	347,018	224,552	232,349
Total equity securities	334,216	347,018	224,552	232,349
Total financial assets held at fair value through profit or loss	334,216	347,018	224,552	232,349

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022	2021	2022	2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Equity securities				
Listed equity securities	13,179	13,999	4,096,897	4,732,343
Listed preference securities	326	506	–	–
Total equity securities	13,505	14,505	4,096,897	4,732,343
Total financial assets held at fair value through profit or loss	13,505	14,505	4,096,897	4,732,343

An overview of the risk exposures relating to financial assets at FVTPL is included in note 3.

8 Financial liabilities held at fair value through profit or loss

	Arrowstreet Global Equity Fund		Macquarie International Equities Fund	
	2022	2021	2022	2021
	Fair value \$'000	Fair value \$'000	Fair value \$'000	Fair value \$'000
Derivatives				
Foreign currency forward contracts	144,983	25,504	–	–
Share price index futures	–	–	26	169
Total derivatives	144,983	25,504	26	169
Total financial liabilities held at fair value through profit or loss	144,983	25,504	26	169

An overview of the risk exposures relating to financial liabilities at FVTPL is included in note 3.

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Related party disclosures

(a) Parent entity

- ***IFP Global Franchise Fund II***

During the financial year ended 30 June 2021, Return to Work Corporation of South Australia became the parent and the ultimate parent of the Trust upon acquiring the units in the Trust, which at 30 June 2021 owns 55.06% of the units of the Trust.

During the financial year ended 30 June 2022, Return to Work Corporation of South Australia ceased to be the parent and the ultimate parent of the Trust, which at 30 June 2022 owns 26.22% of the units of the Trust, upon issue of units by the Trust.

- ***Macquarie International Equities Fund***

The parent and the ultimate parent of the Trust is Macquarie True Index International Equities Fund, which at 30 June 2022 owns 85.20% (2021: 81.24%) of the units of the Trust.

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

The parent and the ultimate parent of the Trust is Macquarie International Infrastructure Securities Fund (Hedged), which at 30 June 2022 owns 73.52% (2021: 73.96%) of the units of the Trust.

(b) Responsible Entity

The Responsible Entity of the Trusts is MIMAL, a wholly owned subsidiary of Macquarie Group Limited ("MGL").

(c) Investment Manager

The Investment Manager of Macquarie International Equities Fund and Macquarie International Infrastructure Securities Fund (Unhedged) is MIMGL, a wholly owned subsidiary of MGL.

(d) Key management personnel

Key management personnel services are provided by MIMAL. The following persons held office as directors of MIMAL during the financial years ended 30 June 2022 and 30 June 2021, unless indicated otherwise:

M Aubrey (appointed 01/10/2021)

C Berger

R Gohil (resigned 01/10/2021)

C Marull

G Stephens

B Terry

No amount is paid by the Trusts directly to the directors of the Responsible Entity. Consequently, no compensation as defined in AASB 124 *Related Party Disclosures* is paid by the Trusts to the directors as key management personnel.

(e) Key management personnel unitholdings

No key management personnel held units in Arrowstreet Global Equity Fund, IFP Global Franchise Fund II, Macquarie International Equities Fund, Macquarie International Infrastructure Securities Fund (Unhedged) and Polaris Global Equity Fund at any time during the financial year (2021: Nil).

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(e) Key management personnel unitholdings (continued)

Key management personnel and their close family members held units in the IFP Global Franchise Fund, Walter Scott Emerging Markets Fund and Walter Scott Global Equity Fund as follows:

• IFP Global Franchise Fund

30 June 2022 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
C Berger	36,821	41,962	0.01	5,141	–	11,061
M Aubrey*	18,393	18,393	–	–	–	–

30 June 2021 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
C Berger	34,828	36,821	0.01	1,993	–	4,867

On 30 June 2022, C Berger holds 41,962 units (2021: 36,821 units) in the Trust (including units held through a discretionary trust), representing 0.01% (2021: 0.01%) share of units in the Trust.

• Walter Scott Emerging Markets Fund

30 June 2022 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
M Aubrey*	29,605	29,605	0.19	–	–	–

• Walter Scott Global Equity Fund

30 June 2022 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
C Berger	40,716	57,005	0.00	16,289	–	–
M Aubrey*	34,726	34,726	0.00	–	–	–
R Gohil**	17,405	17,642	0.00	332	95	2,216

30 June 2021 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
C Berger	38,113	40,716	0.00	3,161	558	1,104
R Gohil	–	17,405	0.00	17,636	231	472

On 30 June 2022, C Berger holds 57,005 units (2021: 40,716 units) in the Trust (including units held through a discretionary trust), representing 0.00% (2021: 0.00%) share of units in the Trust.

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(e) Key management personnel unitholdings (continued)

*On 1 October 2021, M Aubrey was appointed as a director on the MIMAL board and from that date became part of the key management personnel of the Trust. Consequently, the opening unitholdings represent units held on 1 October 2021.

**On 1 October 2021, R Gohil resigned from the MIMAL board and from that date, ceased to be a key management personnel of the Trust.

(f) Key management personnel loan disclosures

The Trusts have not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the financial year (2021: Nil).

(g) Responsible Entity fees and other transactions

- **Arrowstreet Global Equity Fund**

For the financial year ended 30 June 2022, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.28% (2021: 1.28%) of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

- **IFP Global Franchise Fund**

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.38% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial period from 1 July 2020 to 13 May 2021. For the financial period from 14 May 2021 to 30 June 2022, the fee has been reduced to 1.28% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

- **IFP Global Franchise Fund II**

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.38% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial period from 1 July 2020 to 13 May 2021. For the financial period from 14 May 2021 to 30 June 2022, the total fee has been reduced to 1.28% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

- **Macquarie International Equities Fund**

For the financial year ended 30 June 2022, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 0.30% (2021: 0.30%) of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Related party disclosures (continued)

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

- ***Macquarie International Infrastructure Securities Fund (Unhedged)***

For the financial year ended 30 June 2022, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.00% (2021: 1.00%) of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

- ***Polaris Global Equity Fund***

For the financial year ended 30 June 2022, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.28% (2021: 1.28%) of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

- ***Walter Scott Emerging Markets Fund***

In accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.38% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum, for the financial period from 1 July 2020 to 13 May 2021. For the financial period from 14 May 2021 to 30 June 2022, the Responsible Entity total fee has been reduced to 1.28% of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

- ***Walter Scott Global Equity Fund***

For the financial year ended 30 June 2022, in accordance with the Trust Constitution, the Responsible Entity received a total fee of 1.28% (2021: 1.28%) of net asset value (inclusive of GST, net of RITC available to the Trust) per annum.

All expenses in connection with the preparation of accounting records and the maintenance of the unit register have been fully borne by the Responsible Entity.

The proportion of the GST on the fees that can be recovered by the Trusts as RITCs or otherwise varies. The fee paid by the Trusts will equal the rate disclosed in the respective Trusts' offer document (inclusive of GST, net of RITCs) regardless of the rate of GST recovery in any period.

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

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

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the financial year and amounts payable as at the reporting date between the Trusts and the Responsible Entity were as follows:

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022	2021	2022	2021
	\$	\$	\$	\$
Management fees charged to the Trusts by the Responsible Entity	(43,215,757)	(36,557,396)	(23,720,504)	(22,827,063)
Amount in relation to variance in rate of GST recovery recognised in the statements of comprehensive income as other income	–	90,363	–	94,780
Management fees payable by the Trusts to the Responsible Entity as at the reporting date*	2,830,921	3,679,571	1,322,583	2,027,750
	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022	2021	2022	2021
	\$	\$	\$	\$
Management fees charged to the Trusts by the Responsible Entity	(4,055,729)	(1,565,273)	(3,968,857)	(2,555,776)
Amount in relation to variance in rate of GST recovery recognised in the statements of comprehensive income as other income	–	–	–	39,996
Management fees payable by the Trusts to the Responsible Entity as at the reporting date**	450,599	260,530	1,000,854	735,648
	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022	2021	2022	2021
	\$	\$	\$	\$
Management fees charged to the Trusts by the Responsible Entity	(3,407,665)	(3,495,657)	(3,205,498)	(2,334,074)
Amount in relation to variance in rate of GST recovery recognised in the statements of comprehensive income as other income	–	25,186	–	–
Management fees payable by the Trusts to the Responsible Entity as at the reporting date***	865,360	882,147	199,826	264,131

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

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

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022 \$	2021 \$	2022 \$	2021 \$
Management fees charged to the Trusts by the Responsible Entity	(190,121)	(168,532)	(61,289,385)	(54,215,281)
Amount in relation to variance in rate of GST recovery recognised in the statements of comprehensive income as other income	-	-	-	165,767
Management fees payable by the Trusts to the Responsible Entity as at the reporting date****	10,484	11,295	3,546,733	5,098,034

*The management fee payable for *Arrowstreet Global Equity Fund* as at 30 June 2021 was disclosed net of \$90,363 receivable from the Responsible Entity, in relation to variance in rate of GST recovery for prior financial years. The management fee payable for *IFP Global Franchise Fund* as at 30 June 2021 was disclosed net of \$94,780 receivable from the Responsible Entity, in relation to variance in rate of GST recovery for prior financial years.

**The management fee payable for *Macquarie International Equities Fund* as at 30 June 2021 was disclosed net of \$39,996 receivable from the Responsible Entity, in relation to variance in rate of GST recovery for prior financial years.

***The management fee payable for *Macquarie International Infrastructure Securities Fund (Unhedged)* as at 30 June 2021 was disclosed net of \$25,186 receivable from the Responsible Entity, in relation to variance in rate of GST recovery for prior financial years.

****The management fee payable for *Walter Scott Global Equity Fund* as at 30 June 2021 was disclosed net of \$165,767 receivable from the Responsible Entity, in relation to variance in rate of GST recovery for prior financial years.

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings

Parties related to the Trusts (including MIMAL, its affiliates and other schemes managed by MIMAL or other wholly owned subsidiaries of MGL) held units in the Trusts as follows:

Arrowstreet Global Equity Fund						
30 June 2022 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Arrowstreet Global Equity No. 1 Fund	11,214	981,660	0.03	996,600	26,154	57,991
Arrowstreet Global Equity No. 2 Fund - Class E (formerly Class I)	244,752,534	233,833,608	7.67	70,653,621	81,572,547	15,079,683
Arrowstreet Global Equity No. 2 Fund - Class I (formerly Class W)	8,737	–	–	34	8,771	43
Macquarie Global Equities Fund	970,304,966	951,656,251	31.23	380,316,466	398,965,181	60,283,689
Macquarie Professional Series Global Equity Fund	1,539,107	2,457,757	0.08	1,315,904	397,254	157,169

Arrowstreet Global Equity Fund						
30 June 2021 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Arrowstreet Global Equity No. 1 Fund	96,232,019	11,214	–	5,366,571	101,587,376	2,050
Arrowstreet Global Equity No. 2 Fund - Class E (formerly Class I)	158,260,480	244,752,534	9.31	140,695,147	54,203,093	44,725,204
Arrowstreet Global Equity No. 2 Fund - Class I (formerly Class W)	–	8,737	–	8,737	–	1,577
Macquarie Global Equities Fund	830,595,046	970,304,966	36.91	472,174,949	332,465,029	177,772,299
Macquarie Professional Series Global Equity Fund	1,667,624	1,539,107	0.06	798,345	926,862	282,285

There are no distributions payable to the above related parties as at 30 June 2022 (2021: Nil).

The Trust has redemptions payable of \$60,636,800 to the above related parties as at 30 June 2022 (2021: \$175,324,900).

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings (continued)

30 June 2022 Unitholders	IFP Global Franchise Fund					
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
IFP Global Franchise Fund (Hedged)	84,413,045	103,105,986	15.42	49,818,414	31,125,473	27,178,765
IFP Global Franchise Fund (Wholesale)	192,440	1,551,185	0.23	1,562,326	203,581	408,893

30 June 2021 Unitholders	IFP Global Franchise Fund					
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
IFP Global Franchise Fund (Hedged)	75,301,136	84,413,045	11.33	39,994,036	30,882,127	11,156,622
IFP Global Franchise Fund (Wholesale)	–	192,440	0.03	202,687	10,247	25,434
Macquarie Life Limited	466,904	–	–	18,078	484,982	–

There are no distributions payable to the above related parties as at 30 June 2022 (2021: Nil).

The Trust has redemptions payable of \$26,459,000 to the above related parties as at 30 June 2022 (2021: \$17,788,477).

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings (continued)

30 June 2022 Unitholders	IFP Global Franchise Fund II					
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
IFP Global Franchise Fund II (Wholesale)	15,320,509	64,704,255	15.09	52,041,016	2,657,270	1,053,531
Macquarie Professional Series Global Equity Fund	1,399,979	1,802,909	0.42	748,087	345,157	29,355

30 June 2021 Unitholders	IFP Global Franchise Fund II					
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
IFP Global Franchise Fund II (Wholesale)	–	15,320,509	7.64	15,600,046	279,537	17,853
Macquarie Professional Series Global Equity Fund	1,887,203	1,399,979	0.70	424,198	911,422	1,631
Return to Work Corporation of South Australia	–	110,425,950	55.06	110,425,950	–	128,683

There are no distributions payable to the above related parties as at 30 June 2022 (2021: Nil).

The Trust has redemptions payable of \$1,006,400 to the above related parties as at 30 June 2022 (2021: \$121,600).

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings (continued)

Macquarie International Equities Fund						
30 June 2022 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Macquarie Asset Management Holdings Pty Limited	469,200	385,164	0.06	1,457	85,493	19,901
Macquarie Balanced Growth Fund	94,319,233	91,666,527	14.44	2,491,555	5,144,261	4,672,595
Macquarie Capital Stable Fund	890,579	599,273	0.09	18,926	310,232	34,858
Macquarie Diversified Growth Fund	1,296,201	1,332,111	0.21	35,910	–	67,565
Macquarie True Index International Equities Fund	419,984,309	540,897,630	85.20	202,283,609	81,370,288	26,554,507

Macquarie International Equities Fund						
30 June 2021 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Macquarie Asset Management Holdings Pty Limited	–	469,200	0.09	469,200	–	19,894
Macquarie Balanced Growth Fund	82,455,741	94,319,233	18.25	11,863,492	–	4,203,484
Macquarie Capital Stable Fund	869,383	890,579	0.17	21,196	–	40,072
Macquarie Diversified Growth Fund	1,265,351	1,296,201	0.25	30,850	–	58,323
Macquarie Group Services Australia Pty Limited	463,090	–	–	46,619	509,709	1,611
Macquarie True Index International Equities Fund	304,334,987	419,984,308	81.24	160,126,237	44,476,916	18,455,755

The Trust has distributions payable of \$12,531 to Macquarie Asset Management Holdings Pty Limited as at 30 June 2022 (2021: \$18,829).

The Trust has redemptions payable of \$24,292,786 to Macquarie True Index International Equities Fund as at 30 June 2022 (2021: \$7,883,000).

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings (continued)

Macquarie International Infrastructure Securities Fund (Unhedged)						
30 June 2022	Number of	Number of	Interest	Number	Number	Distributions
Unitholders	units held	units held	held	of units	of units	declared by
	opening	closing	%	acquired	disposed	the Trust
	(Units)	(Units)		(Units)	(Units)	\$
Macquarie Asset Management Holdings Pty Limited	3,953,332	3,966,017	1.52	312,048	299,363	653,056
Macquarie International Infrastructure Securities Fund (Hedged)	218,215,048	191,469,364	73.52	53,394,816	80,140,500	28,670,187

Macquarie International Infrastructure Securities Fund (Unhedged)						
30 June 2021	Number of	Number of	Interest	Number	Number	Distributions
Unitholders	units held	units held	held	of units	of units	declared by
	opening	closing	%	acquired	disposed	the Trust
	(Units)	(Units)		(Units)	(Units)	\$
Macquarie Asset Management Holdings Pty Limited	–	3,953,332	1.34	3,953,332	–	100,019
Macquarie Group Services Australia Pty Limited	2,622,832	–	–	1,330,500	3,953,332	27,673
Macquarie International Infrastructure Securities Fund (Hedged)	234,282,147	218,215,048	73.96	62,387,251	78,454,350	7,371,600

There are no distributions payable to the above related parties as at 30 June 2022 (2021: Nil).

The Trust has redemptions payable of \$34,036,614 to the above related parties as at 30 June 2022 (2021: \$16,457,000).

Notes to the Financial Statements
For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings (continued)

Polaris Global Equity Fund						
30 June 2022 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Macquarie Professional Series Global Equity Fund	775,397	–	–	40,989	816,386	2,823
Polaris Global Equity Fund (Hedged)	935,525	959,919	0.62	188,003	163,609	40,990
Polaris Global Equity No. 1 Fund	6,109	67,582	0.04	62,514	1,041	2,731

Polaris Global Equity Fund						
30 June 2021 Unitholders	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Macquarie Professional Series Global Equity Fund	574,940	775,397	0.54	337,627	137,170	12,781
Polaris Global Equity Fund (Hedged)	752,439	935,525	0.66	367,705	184,619	14,468
Polaris Global Equity No. 1 Fund	–	6,109	–	6,109	–	72

The Trust has distributions payable of \$37,709 to the above related parties as at 30 June 2022 (2021: \$20,107).

The Trust has redemptions payable of \$19,484 to the above related parties as at 30 June 2022 (2021: \$70,450).

Walter Scott Emerging Markets Fund						
30 June 2022 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Walter Scott Emerging Markets No. 1 Fund	4,752	3,417	0.02	26,859	28,194	18

Walter Scott Emerging Markets Fund						
30 June 2021 Unitholder	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Walter Scott Emerging Markets No. 1 Fund	–	4,752	0.04	4,752	–	833

There are no distributions payable to the above related party as at 30 June 2022 (2021: Nil).

There are no redemptions payable to the above related party as at 30 June 2022 (2021: Nil).

Notes to the Financial Statements For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(h) Related party unitholdings (continued)

30 June 2022 Unitholders	Walter Scott Global Equity Fund					
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Macquarie Professional Series Global Equity Fund	820,897	731,399	0.05	87,980	177,478	79,120
Walter Scott Global Equity (Hedged)	271,508,887	301,813,672	22.62	95,587,292	65,282,507	32,649,142
Walter Scott Global Equity No. 1 Fund	8,620,066	8,708,217	0.65	3,796,095	3,707,944	942,024
Walter Scott Global Equity No. 2 Fund	2,924	372,936	0.03	371,697	1,685	40,343

30 June 2021 Unitholders	Walter Scott Global Equity Fund					
	Number of units held opening (Units)	Number of units held closing (Units)	Interest held %	Number of units acquired (Units)	Number of units disposed (Units)	Distributions declared by the Trust \$
Macquarie Professional Series Global Equity Fund	774,456	820,897	0.06	223,165	176,724	22,143
Walter Scott Global Equity Fund (Hedged)	252,411,490	271,508,887	20.11	116,800,963	97,703,566	7,323,659
Walter Scott Global Equity No. 1 Fund	37,293,923	8,620,066	0.64	3,355,949	32,029,806	232,517
Walter Scott Global Equity No. 2 Fund	–	2,924	–	2,924	–	79

There are no distributions payable to the above related parties as at 30 June 2022 (2021: Nil).

The Trust has redemptions payable of \$26,181,800 to the above related parties as at 30 June 2022 (2021: \$69,124,050).

(i) Investments

The Trusts held no investments in any schemes which is also managed by MIMAL or other wholly owned subsidiaries of MGL (2021: Nil).

(j) Other transactions within the Trusts

From time to time, the Trusts may purchase or sell securities from/to other schemes managed by the Responsible Entity or its affiliates at the prevailing market rates.

No directors of the Responsible Entity have entered into a material contract with the Trusts in the current or previous financial year and there were no material contracts involving directors' interests subsisting at 30 June 2022 or 30 June 2021.

The Trusts hold bank accounts with Macquarie Bank Limited ("MBL"), a wholly owned subsidiary of MGL. The Trusts may use MBL or other wholly owned subsidiaries of MGL for broking and clearing services. Fees and expenses are negotiated on an arm's length basis for all transactions with related parties.

Notes to the Financial Statements For the Year Ended 30 June 2022

9 Related party disclosures (continued)

(j) Other transactions within the Trusts (continued)

In addition, disclosures applicable to certain Trusts are as below:

- **Macquarie International Equities Fund**

The Trust held futures, with MBL as counterparty/ broker, with the fair value at 30 June 2022 of \$106,607 (2021: \$217,385).

10 Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities

(a) Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Profit/(loss) for the year	(161,549)	897,003	16,055	330,906
Movement in amounts due from brokers	332,259	(224,733)	2,652	(1,181)
Movement in dividends receivable	(6,992)	(1,200)	(608)	124
Movement in other receivables	(2,277)	(1,310)	(1,310)	(3,486)
Movement in Responsible Entity fees payable	(849)	1,107	(705)	268
Movement in amounts due to brokers	(55,643)	20,849	(3,278)	3,065
Movement in financial instruments held at fair value through profit or loss	(115,926)	(713,658)	309,476	(376,587)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(7,458)	1,894	11	16
Net cash inflow/(outflow) from operating activities	(18,435)	(20,048)	322,293	(46,875)

	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Profit/(loss) for the year	(17,761)	25,145	(95,578)	215,609
Movement in margin accounts	–	–	17,650	(6,041)
Movement in amounts due from brokers	15,770	(16,002)	(4,455)	476
Movement in dividends receivable	(413)	(42)	(508)	(317)
Movement in other receivables	(244)	(207)	(573)	(623)
Movement in Responsible Entity fees payable	190	211	265	259
Movement in amounts due to brokers	(1,139)	1,133	3,292	(1,458)
Movement in financial instruments held at fair value through profit or loss	(247,799)	(191,502)	(179,216)	(442,386)
Effects of foreign currency exchange rate changes on cash and cash equivalents	7	12	(867)	2,396
Net cash inflow/(outflow) from operating activities	(251,389)	(181,252)	(259,990)	(232,085)

Notes to the Financial Statements

For the Year Ended 30 June 2022

10 Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities (continued)

(a) Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities (continued)

	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the year	39,951	42,890	(21,317)	56,518
Movement in amounts due from brokers	9	19,566	17	4
Movement in dividends receivable	513	(248)	(55)	(73)
Movement in other receivables	(140)	(15)	(144)	(153)
Movement in Responsible Entity fees payable	(17)	(96)	(64)	77
Movement in amounts due to brokers	–	(3,199)	–	–
Movement in financial instruments held at fair value through profit or loss	12,802	632	7,797	(85,477)
Effects of foreign currency exchange rate changes on cash and cash equivalents	(13)	(13)	63	25
Net cash inflow/(outflow) from operating activities	53,105	59,517	(13,703)	(29,079)

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Profit/(loss) for the year	(2,801)	2,184	(437,939)	883,040
Movement in amounts due from brokers	(3)	–	203	(203)
Movement in dividends receivable	(14)	(11)	(916)	2,708
Movement in other receivables	6	(4)	(1,495)	(5,560)
Movement in Responsible Entity fees payable	(1)	(5)	(1,551)	1,088
Movement in amounts due to brokers	36	–	8,386	–
Movement in financial instruments held at fair value through profit or loss	1,000	(2,540)	635,446	(1,057,969)
Effects of foreign currency exchange rate changes on cash and cash equivalents	1	(2)	(313)	33
Net cash inflow/(outflow) from operating activities	(1,776)	(378)	201,821	(176,863)

(b) Non-cash financing activities

	Arrowstreet Global Equity Fund		IFP Global Franchise Fund	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Reinvestment of unitholder distributions	115,733	307,117	40,320	27,744

Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Reconciliation of profit/(loss) for the year to net cash inflow/(outflow) from operating activities (continued)

(b) Non-cash financing activities (continued)

	IFP Global Franchise Fund II		Macquarie International Equities Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Reinvestment of unitholder distributions	5,673	183	31,329	22,758

	Macquarie International Infrastructure Securities Fund (Unhedged)		Polaris Global Equity Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Reinvestment of unitholder distributions	29,033	7,662	3,446	1,261

	Walter Scott Emerging Markets Fund		Walter Scott Global Equity Fund	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Reinvestment of unitholder distributions	5	198	49,294	11,846

11 Events occurring after the reporting date

No significant events have occurred since the reporting date which would impact on the financial position of the Trusts disclosed in the statements of financial position as at 30 June 2022 or on the results and cash flows of the Trusts for the financial year ended on that date.

12 Contingent assets, contingent liabilities and commitments

There are no outstanding contingent assets, contingent liabilities or commitments as at 30 June 2022 and 30 June 2021.


Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes as set out on pages 6 to 72 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards; and
 - (ii) giving a true and fair view of the Trusts' financial position as at 30 June 2022 and of their performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Trusts will be able to pay their debts as and when they become due and payable.

The directors declare that the notes to the financial statements include an explicit and unreserved statement of compliance with the International Financial Reporting Standards (see note 2(a)).

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

Director: 

B Terry

Sydney

19 September 2022



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Independent auditor's report

To the unitholders of:

- Arrowstreet Global Equity Fund
- IFP Global Franchise Fund
- IFP Global Franchise Fund II
- Macquarie International Equities Fund
- Macquarie International Infrastructure Securities Fund (Unhedged)
- Polaris Global Equity Fund
- Walter Scott Emerging Markets Fund
- Walter Scott Global Equity Fund

referred to collectively as the Trusts.

Opinion

We have audited the financial report of the Trusts, which comprises the statements of financial position as at 30 June 2022, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trusts is in accordance with the *Corporations Act 2001*, including:

- a. giving a true and fair view of the Trusts' financial position as at 30 June 2022 and of their financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 are independent of the Trusts in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report thereon

The directors of Macquarie Investment Management Australia Limited ("the Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

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, 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.

Responsibilities of the directors for the financial report

The directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Trusts' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Trusts or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

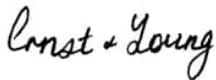
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trusts' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trusts to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Ernst & Young



Rita Da Silva
Partner
Sydney
19 September 2022