

# **Australian Unity Select Income Fund**

ARSN 091 886 789

**Annual report  
for the year ended 30 June 2019**

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## Annual report for the year ended 30 June 2019

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## Directors' report

The directors of Australian Unity Funds Management Limited (ABN 60 071 497 115), the Responsible Entity of Australian Unity Select Income Fund ("the Scheme"), present their report together with the financial statements of the Scheme for the year ended 30 June 2019.

### Directors

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

Rohan Mead, Chairman and Group Managing Director  
 David Bryant, Chief Executive Officer, Wealth & Capital Markets and Chief Investment Officer  
 Esther Kerr-Smith, Group Executive Finance & Strategy  
 Darren Mann, Deputy Head of Finance and Chief Financial Officer (appointed 12 October 2018)

### Principal activities

The principal activity of the Scheme is to provide investors with regular income and capital stability, by investing primarily into first registered mortgage loans with a short duration.

### Review and results of operations

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

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
Profit before finance costs attributable to members	<u>13,609</u>	<u>8,592</u>
Distributions paid and payable	<u>13,609</u>	<u>8,592</u>

### Significant changes in the state of affairs

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

### Events occurring after end of the year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the operations of the Scheme, the result of operations, or the state of the Scheme's affairs in the future years.

### Likely developments and expected results of operations

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

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

### Indemnification and insurance of officers and auditors

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

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

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

**Fees paid to and interests held in the Scheme by the Responsible Entity or its associates (continued)**

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

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

**Interests in the Scheme**

The movement in members' funds in the Scheme during the year is disclosed in note 6 to the financial statements.

The value of the Scheme's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 to the financial statements.

**Environmental regulation**

The Scheme's operations are not subject to environmental regulations under Australian law.

**Rounding of amounts to the nearest thousand dollars**

The Scheme is an entity of a kind referred to in ASIC Corporations Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and financial statements have been rounded to the nearest thousand dollars.

**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 4.

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



Director



Director

20 September 2019



## *Auditor's Independence Declaration*

As lead auditor for the audit of Australian Unity Select Income Fund for the year ended 30 June 2019, I declare that 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; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'G. Sagonas', is written over a faint, light blue grid background.

George Sagonas  
Partner  
PricewaterhouseCoopers

Melbourne  
20 September 2019

**Australian Unity Select Income Fund**  
**Statement of comprehensive income**  
**For the year ended 30 June 2019**

**Statement of comprehensive income**

	Notes	2019 \$'000	2018 \$'000
<b><i>Investment income</i></b>			
Interest income	3	13,106	7,947
Distribution income		451	549
Management fee income		2,000	1,408
Other income	4	2,987	3,201
<b>Total investment income</b>		<b>18,544</b>	13,105
<b><i>Expenses</i></b>			
Responsible Entity's fees	12	4,935	4,513
<b>Total expenses</b>		<b>4,935</b>	4,513
<b>Profit before finance costs attributable to members</b>		<b>13,609</b>	8,592
<b><i>Finance costs attributable to members</i></b>			
Distributions to members		(13,609)	(8,592)
<b>Total comprehensive income attributable to members</b>		<b>-</b>	-

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

**Australian Unity Select Income Fund**  
**Statement of financial position**  
**As at 30 June 2019**

**Statement of financial position**

	Notes	2019 \$'000	2018 \$'000
<b>Assets</b>			
Cash and cash equivalents	7	25,532	32,070
Receivables	8	1,591	750
Mortgage loans	9	187,880	101,664
<b>Total assets</b>		<b>215,003</b>	134,484
<b>Liabilities</b>			
Distributions payable		1,381	629
Payables		929	991
<b>Total liabilities (excluding net assets attributable to members)</b>		<b>2,310</b>	1,620
<b>Net assets attributable to members - liability</b>	6	<b>212,693</b>	132,864

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

**Australian Unity Select Income Fund**  
**Statement of changes in net assets attributable to members - liability**  
**For the year ended 30 June 2019**

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**Statement of changes in net assets attributable to members - liability**

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b>Balance at the beginning of the year</b>	<b>132,864</b>	117,014
Profit before finance costs attributable to members	<b>13,609</b>	8,592
Distributions to members	<b>(13,609)</b>	(8,592)
Contributions	<b>97,108</b>	54,921
Withdrawals	<b>(18,945)</b>	(39,493)
Reinvestment of distributions	<b>1,666</b>	422
<b>Balance at the end of the year</b>	<b>212,693</b>	132,864

*The above statement of changes in net assets attributable to members - liability should be read in conjunction with the accompanying notes.*



**Australian Unity Select Income Fund**  
**Statement of cash flows**  
**For the year ended 30 June 2019**

**Statement of cash flows**

	Notes	2019 \$'000	2018 \$'000
<b><i>Cash flows from operating activities</i></b>			
Issuance of mortgage loans		(155,593)	(114,527)
Proceeds from repayment of mortgage loans		69,377	106,745
Interest and loan fees received		17,238	12,412
Distributions received		465	512
Responsible Entity's fees paid		(4,997)	(3,805)
<b>Net cash (outflow)/inflow from operating activities</b>	13	<u>(73,510)</u>	<u>1,337</u>
<b><i>Cash flows from financing activities</i></b>			
Proceeds from contributions by members		97,108	54,921
Payments for withdrawals by members		(18,945)	(39,493)
Distributions paid		(11,191)	(7,953)
<b>Net cash inflow from financing activities</b>		<u>66,972</u>	<u>7,475</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(6,538)</b>	8,812
Cash and cash equivalents at the beginning of the year		<u>32,070</u>	23,258
<b>Cash and cash equivalents at the end of the year</b>	7	<u>25,532</u>	<u>32,070</u>

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

**Notes to the financial statements**

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## **1 General information**

These financial statements cover Australian Unity Select Income Fund ("the Scheme") as an individual entity. The Scheme was constituted on 3 March 2000 and will terminate on the 80th anniversary unless terminated earlier in accordance with the provisions of the Scheme's Constitution.

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

The Responsible Entity is incorporated and domiciled in Australia.

The financial statements are for the year 1 July 2018 to 30 June 2019.

The financial statements were authorised for issue by the directors of the Responsible Entity on 20 September 2019. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. Where appropriate, comparatives have been reclassified to enhance comparability with current year disclosures.

### **(a) Basis of preparation**

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

The Scheme is a for-profit entity for the purposes of preparing the financial statements.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguish between current and non-current. All balances are generally expected to be recovered or settled within 12 months, except for mortgage loans and net assets attributable to members, where the amount expected to be recovered or settled within 12 months after the end of the year cannot be reliably determined.

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

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

#### *(ii) New accounting standards and amendments adopted by the Scheme*

The Scheme applied the following accounting standards and amendments that became mandatory for the first time during the reporting period:

*AASB 9 Financial Instruments* addresses the classification, measurement, recognition and derecognition of financial assets and financial liabilities. AASB 9 has been applied retrospectively by the Scheme and did not result in a change to the classification or measurement of financial instruments. The Scheme's mortgage loans continue to be measured at amortised cost. AASB 9 also introduced revised rules for impairment. The adoption of the new impairment model based on expected credit loss did not have a material impact to the Scheme.

*AASB 15 Revenue from Contracts with Customers* sets out the requirements for recognising revenue that apply to all contracts with customers, except for contracts that are within the scope of the accounting standards for leases, insurance contracts and financial instruments. The Scheme's main source of income includes interest, distributions and mortgage-related fees. All of these are outside the scope of the Revenue standard. Consequently, the application of AASB 15 has no material impact on the Scheme's financial statements.

## 2 Summary of significant accounting policies (continued)

### (a) Basis of preparation (continued)

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

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for the 30 June 2019 reporting period and have not been early adopted by the Scheme. None of these are expected to have material effect on the financial statements of the Scheme.

### (b) Financial instruments

#### *(i) Classification*

The classification depends on the Scheme's business model for managing the financial instruments and the contractual terms of the relevant cash flows. The Scheme classifies its financial instruments into the following measurement categories:

- *Financial instruments designated at fair value through profit or loss*

The Scheme's investments are classified as held at fair value through profit or loss. These may include investments in listed trusts and other unlisted trusts.

Financial assets and financial liabilities designated at fair value through profit or loss are those that are managed and their performance evaluated on a fair value basis in accordance with the Scheme's documented investment strategy. The Scheme's policy is for the Responsible Entity to evaluate the information about these financial instruments on a fair value basis together with other related financial information.

The information on the fair value basis is provided internally to the Scheme's key management personnel. In addition, the designation of financial assets and financial liabilities at fair value through profit or loss will reduce any measurement or recognition inconsistencies and any accounting mismatch that would otherwise arise.

- *Amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met:

- (a) it is held within a business model which objective is to hold assets in order to collect contractual cash flows, and
- (b) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

This category includes mortgage loans and receivables/payables.

#### *(ii) Recognition/derecognition*

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

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

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

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

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

### **(b) Financial instruments (continued)**

#### *(iii) Measurement*

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

Mortgage loans are measured initially at fair value plus transaction costs and subsequently amortised using the effective interest rate method, less impairment losses if any.

The Scheme assesses on a forward looking basis the expected credit losses (ECL) associated with its financial assets carried at amortised cost. The recognition of impairment depends on whether there has been a significant increase in credit risk.

For mortgage loans, the Scheme applies a three-stage approach to measuring ECL. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

- **Stage 1: 12-months ECL**  
For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.
- **Stage 2: Lifetime ECL- not credit impaired**  
For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised.
- **Stage 3: Lifetime ECL - credit impaired**  
Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount.

At each reporting date, the Scheme assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition.

The Scheme assesses whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of significant increase in credit risk, loans are grouped on the basis of shared credit risk characteristics, taking into account the type of loans, days in arrears, loan collaterals, remaining term to maturity, geographical location of the borrower and other relevant factors. The Scheme considers its historical loss experience and adjusts this for current observable data.

The amount of ECL is measured as the probability-weighted amount of the present value of all reasonable cash shortfalls over the expected life of the loans discounted at the effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Scheme and all the cash flows that the Scheme expects to receive.

The amount of ECL is recognised using a loan loss provision account. If, in a subsequent period, credit quality improves and reverses any previously assessed significant increase in credit risk since origination, then the loan loss provision reverts from lifetime ECL to 12-months ECL.

#### *(iv) Offsetting financial instruments*

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

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

### **(c) Net assets attributable to members**

Members may withdraw their investments in circumstances set out in the governing documents of the Scheme and are therefore classified as financial liabilities. As the Scheme is a contributory fund, members' entitlement to income and capital is based only on their investment in a specific mortgage loan and they have no right to the income or capital of other mortgage loans, other than any interest that they have in the Scheme's cash and cash equivalents. Changes in the value of this financial liability are recognised in the statement of comprehensive income as they arise.

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

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

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

### **(e) Investment income**

Interest income is recognised in the statement of comprehensive income for all financial instruments using the effective interest method. Other changes in fair value for such instruments are recorded in accordance with the policies described in note 2(b).

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

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

### **(f) Expenses**

All expenses, including Responsible Entity's fees and custodian fees, are recognised in statement of comprehensive income on an accruals basis.

### **(g) Income tax**

Under current legislation, the Scheme is not subject to income tax provided it attributes the entirety of its taxable income to its unitholders.

### **(h) Distributions**

In accordance with the Scheme's Constitution, the Scheme distributes income adjusted for amounts determined by the Responsible Entity, to members by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to members.

### **(i) Increase/decrease in net assets attributable to members**

Income not distributed is included in net assets attributable to members. Movements in net assets attributable to members are recognised in statement of comprehensive income as finance costs.

### **(j) Receivables**

Receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the end of each reporting period from the time of last payment in accordance with the policy set out in note 2(h) above. Amounts are generally received within 30 days of being recorded as receivables.

Receivables include such items as Reduced Input Tax Credits (RITC) and application monies receivable from members.

### **(k) Payables**

Payables include liabilities and accrued expenses owed by the Scheme which are unpaid as at the end of the reporting period. These payables, which are generally settled on 30-90 day terms and are unsecured, are carried at amortised cost.

## 2 Summary of significant accounting policies (continued)

### (k) Payables (continued)

The distribution amount payable to members as at the end of each year is recognised separately in the statement of financial position when members are presently entitled to the distributable income under the Scheme's Constitution.

Liabilities for trade creditors are carried at original invoice amount which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Scheme.

Payables to related parties are recognised and carried at the nominal amount due. They are carried at the nominal amount due to the short term nature of the payable. Interest is taken up as an expense on an accrual basis.

Provisions are recognised when the Scheme has a present obligation as a result of the past event and it is probable that the Scheme will be requested to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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

The statement of comprehensive income is shown exclusive of GST, unless the GST incurred (or part thereof) on expenses that are not recoverable. Expenses of various services provided to the Scheme by third parties, such as custodial services and investment management fees, may have non-recoverable GST components, as applicable. In these cases, the non-recoverable GST component is recognised as part of the particular expense in the statement of comprehensive income.

Accounts payable and receivable are stated inclusive of the GST receivable and payable, respectively. The net amount of GST recoverable, or payable, is included in receivables or payables in the statement of financial position.

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

### (m) Use of judgements and estimates

The preparation of the Scheme's financial statements requires it to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. However, estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### (n) Rounding of amounts

The Scheme is an entity of the kind referred to in ASIC Corporations Instrument Class Order 2016/191 issued by Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest thousand dollars.

### (o) Functional and presentation currency

Items included in the financial statements of each of the Scheme's operations are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in Australian dollars, which is the Scheme's functional and presentation currency.

## 3 Interest income

	2019	2018
	\$'000	\$'000
Cash and cash deposits	6	10
Mortgage loans	13,100	7,937
	13,106	7,947

#### 4 Other income

	2019	2018
	\$'000	\$'000
Application fees	2,570	2,350
Other income	417	851
	2,987	3,201

#### 5 Auditor's remuneration

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

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

	2019	2018
	\$	\$
<i>Audit services - PricewaterhouseCoopers</i>		
Audit and review of financial statements	18,000	14,832
<i>Non-audit services - Ernst &amp; Young</i>		
Tax compliance services	8,160	8,160

#### 6 Net assets attributable to members

Movements in the net assets attributable to members during the year were as follows:

	2019	2018
	\$'000	\$'000
<b>Contributed equity</b>		
Opening balance	132,864	117,014
Contributions	97,108	54,921
Withdrawals	(18,945)	(39,493)
Reinvestment of distributions	1,666	422
Closing balance	212,693	132,864
<b>Undistributed income</b>		
Opening balance	-	-
Increase/(decrease) in net assets attributable to members	-	-
Closing balance	-	-
<b>Total net assets attributable to members</b>	212,693	132,864



## 7 Cash and cash equivalents

	2019 \$'000	2018 \$'000
Cash at bank	719	869
Cash management trusts	24,813	31,201
	<u>25,532</u>	<u>32,070</u>

## 8 Receivables

	2019 \$'000	2018 \$'000
Accrued income	1,564	719
GST receivable	27	31
	<u>1,591</u>	<u>750</u>

## 9 Mortgage loans

	2019 \$'000	2018 \$'000
Mortgage loans	187,880	101,664
	<u>187,880</u>	<u>101,664</u>

Gross impaired assets represent those assets that are contractually past due with security insufficient to cover the principal and arrears. The Scheme does not hold any gross assets that are considered impaired at 30 June 2019.

The Scheme's assets past due but with adequate security is shown below:

	2019 \$'000	2018 \$'000
<b>Days past due</b>		
< 30 days	8,288	-
30 - 60 days	5,530	-
60 - 90 days	-	-
> 90 days	22,438	-
Total	<u>36,256</u>	<u>-</u>

The fair value of collateral held for total assets past due with adequate security was \$60,147,273 as at 30 June 2019 (2018: \$nil). There was no loan loss provision as at 30 June 2019 (2018: \$nil).

The Scheme does not issue credit commitments to any third parties.

## 10 Financial risk management

### (a) Objectives, strategies, policies and processes

The Scheme's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk.

The Scheme's overall risk management program focuses on ensuring compliance with the Scheme's disclosure documents and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed. Financial risk management is carried out by the Investment Manager ("the Investment Manager") under policies approved by the Board of Directors of the Responsible Entity ("the Board").

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rates, other price risks, and ratings analysis for credit risk.

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

### (b) Market risk

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

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

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

The overall market exposures were as follows:

	2019	2018
	\$'000	\$'000
Mortgage loans	<u>187,880</u>	<u>101,664</u>

#### (i) Price risk

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

The Scheme has no exposures to price risk.

#### (ii) Foreign exchange risk

There was no significant direct foreign exchange risk in the Scheme as at 30 June 2019 (2018: \$nil).

## 10 Financial risk management (continued)

### (b) Market risk (continued)

#### *(iii) Interest rate risk*

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

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

The Scheme has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets and liabilities. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain entities in which the Scheme invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model.

## 10 Financial risk management (continued)

### (b) Market risk (continued)

#### (iii) Interest rate risk (continued)

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

2019	Floating interest rate \$'000	Fixed interest rate				Non-interest bearing \$'000	Total \$'000
		3 months or less \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000		
<b>Assets</b>							
Cash and cash equivalents	25,532	-	-	-	-	-	25,532
Receivables	-	-	-	-	-	1,591	1,591
Mortgage loans	-	36,256	120,892	30,732	-	-	187,880
Total assets	25,532	36,256	120,892	30,732	-	1,591	215,003
<b>Liabilities</b>							
Distributions payable	-	-	-	-	-	1,381	1,381
Payables	-	-	-	-	-	929	929
Total liabilities	-	-	-	-	-	2,310	2,310
Net assets attributable to unitholders	25,532	36,256	120,892	30,732	-	(719)	212,693

  

2018	Floating interest rate \$'000	Fixed interest rate				Non-interest bearing \$'000	Total \$'000
		3 months or less \$'000	3 to 12 months \$'000	1 to 5 years \$'000	Over 5 years \$'000		
<b>Assets</b>							
Cash and cash equivalents	32,070	-	-	-	-	-	32,070
Receivables	-	-	-	-	-	750	750
Mortgage loans	-	13,895	65,099	22,670	-	-	101,664
Total assets	32,070	13,895	65,099	22,670	-	750	134,484
<b>Liabilities</b>							
Distributions payable	-	-	-	-	-	629	629
Payables	-	-	-	-	-	991	991
Total liabilities	-	-	-	-	-	1,620	1,620
Net assets attributable to unitholders	32,070	13,895	65,099	22,670	-	(870)	132,864

At 30 June 2019, should interest rates have increased/(decreased) by the basis points indicated below, with all other variables held constant, the net assets attributable members and profit/(loss) before finance costs attributable to members would have changed by the following amounts, approximately and respectively:

	2019		2018	
	Increased by 50 bps \$'000	Decreased by 50 bps \$'000	Increased by 50 bps \$'000	Decreased by 50 bps \$'000
<b>Increase/(decrease) in net assets attributable to members and profit/(loss) before finance costs attributable to members</b>	127	(127)	160	(160)

## 10 Financial risk management (continued)

### (b) Market risk (continued)

#### *(iv) Prepayment risk*

Prepayment risk is the risk that the Scheme may incur a reduced margin of earnings because its borrowers repay or request repayment earlier than expected. The Scheme manages prepayment risk by actively monitoring its borrowers. Due to the Scheme's largely short-term mortgage book the likelihood of prepayment risk eventuating is reduced.

### (c) Credit risk

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

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

The mortgage loans consist of construction loans. The Scheme is exposed to the risk of loss in relation to these loans due to the failure by borrowers to meet their obligation in accordance with the agreed terms. To mitigate the risk of potential losses that may arise from any default, the Scheme holds collateral as security for the loans. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of loans, net of any provisions for impairment. The compliance with credit limits is regularly monitored by the Scheme.

The Scheme makes an assessment whether there is a significant increase in credit risk at each reporting date. As disclosed in the accounting policy note, the Scheme applies a three-stage approach to distinguish the categories of loans which reflect their credit risk and how the loan loss provision is determined for each of those categories. The addition to credit loss provision during the current financial year was immaterial.

#### ***Credit quality per class of instrument***

The credit quality of mortgage loans is managed by the Scheme using Loan to Valuation Ratio ("LVR") analysis. Within the portfolio there exist some loans that are actively managed by the Responsible Entity. LVR of construction loans are reported on "as if complete" valuation basis. The table below shows the LVR of the loan portfolio based on the Scheme's credit rating system.

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b>Loan to valuation ratios</b>		
< 40%	<b>45,406</b>	65,339
40% - 60%	<b>113,191</b>	28,037
60% - 80%	<b>29,283</b>	8,288
Total	<b>187,880</b>	101,664

**10 Financial risk management (continued)**

**(d) Concentrations of risk**

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

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

Concentrations of risk are managed by industry sector for equity instruments and by counterparty for debt instruments and selected derivatives.

Based on the concentrations of risk that are managed by industry sector and/or counterparty, the following investments can be analysed by the industry sector and/or counterparty as at 30 June 2019 and 30 June 2018:

	<b>2019</b>	2018
	<b>\$'000</b>	\$'000
<b>Property Type</b>		
Commercial - building	-	-
Commercial - vacant land	<b>1,560</b>	-
Industrial - construction	<b>8,288</b>	8,288
Residential - construction	<b>178,032</b>	93,376
<b>Total</b>	<b>187,880</b>	101,664

As at 30 June 2019, the Scheme held a mortgage loan which represented 10.92% of the total mortgage book (2018: 17.94%). This mortgage loan is classified within the residential - construction (2018: residential - construction) sector in the table above.

**(e) Liquidity risk**

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

Under the terms of its Constitution, the Scheme has the ability to manage liquidity risk by delaying withdrawals to members, if necessary, until the funds are available to pay them. Members are only entitled to have their investment withdrawn at the end of the nominated investment term. The Responsible Entity does not envisage that the contractual maturity disclosed in the table below will be representative of the actual cash outflows, as the holders typically retain them for the medium to long term.

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

## 10 Financial risk management (continued)

### (e) Liquidity risk (continued)

#### Maturities analysis of financial liabilities

The table below analyses the Scheme's financial liabilities into relevant maturity groupings based on the remaining period at the end of the year to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Financial liabilities such as trade payables, where there are no specific contractual settlement dates, have been grouped into the 'less than 1 year' maturity grouping as such liabilities are typically settled within 30 days.

	Less than 1 year \$'000	1-2 years \$'000	2-3 years \$'000	3+ years \$'000
<b>2019</b>				
Distributions payable	1,381	-	-	-
Payables	929	-	-	-
Net assets attributable to members	212,693	-	-	-
Total financial liabilities	215,003	-	-	-
	Less than 1 year \$'000	1-2 years \$'000	2-3 years \$'000	3+ years \$'000
<b>2018</b>				
Distributions payable	629	-	-	-
Payables	991	-	-	-
Net assets attributable to members	132,864	-	-	-
Total financial liabilities	134,484	-	-	-

As disclosed above, the Scheme manages its liquidity risk by investing in liquid assets that it expects to be able to liquidate within seven days or less. Liquid assets include cash and cash equivalents. As at 30 June 2019, these assets amounted to \$25,532,000 (2018: \$32,070,000).

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

The carrying amounts of the Scheme's assets and liabilities at the end of each year approximate their fair values.

The Scheme values its investments in accordance with the accounting policies set out in note 2(b).

For the years ended 30 June 2019 and 30 June 2018, the Scheme did not hold financial assets that were determined using valuation techniques.

## 11 Fair value hierarchy

The Scheme measures and recognises the financial assets/(liabilities) held at fair value through profit or loss and investment properties at fair value on a recurring basis.

### (a) Fair value hierarchy

The Scheme is required to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

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

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

The carrying amounts of the Scheme's financial assets and financial liabilities at the end of the year approximate their fair values.

The fair value of mortgage loans that reprice within 12 months of reporting date is assumed to equate to the carrying value. The fair value of all other loans and advances are calculated using discounted cash flow models based on expectations of cash flows, contracts of sale and the maturity of the mortgage asset. The difference between estimated fair values of mortgage loans and carrying value reflects changes in interest rates since loan origination and credit worthiness of the borrower.

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

2019	Carrying value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets not measured at fair value on a recurring basis</b>					
Mortgage loans	187,880	-	-	187,880	187,880
Total financial assets	187,880	-	-	187,880	187,880
2018	Carrying value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>Financial assets not measured at fair value on a recurring basis</b>					
Mortgage loans	101,664	-	-	101,664	101,664
Total financial assets	101,664	-	-	101,664	101,664

The Scheme's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the year. There are no transfers between levels 1, 2 and 3 for fair value measurements during the year (2018: \$nil).



## 12 Related party transactions

### Responsible entity

The Responsible Entity of Australian Unity Select Income Fund is Australian Unity Funds Management Limited (ABN 60 071 497 115) whose immediate and ultimate parent entity is Australian Unity Limited (ABN 23 087 648 888).

### Key management personnel

#### (a) Directors

Key management personnel includes persons who were directors of Australian Unity Funds Management Limited at any time during the reporting period as follows:

Rohan Mead, Chairman and Group Managing Director  
David Bryant, Chief Executive Officer, Wealth & Capital Markets and Chief Investment Officer  
Esther Kerr-Smith, Group Executive Finance & Strategy  
Darren Mann, Deputy Head of Finance and Chief Financial Officer (appointed 12 October 2018)

#### (b) Other key management personnel

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

### Other transactions within the Scheme

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

### Responsible Entity's fees and other transactions

The Scheme's Constitution provides that the Responsible Entity is entitled to receive up to 3.075% (2018: 3.075%) per annum of the loan amount recovered from fees and/or interest payable by the borrower. The management fee payable by members is \$nil.

Administration expenses incurred in the day to day running of the Scheme are reimbursed in accordance with the Scheme's Constitution.

The transactions during the year and amount payable at end of year between the Scheme and the Responsible Entity were as follows:

	2019	2018
	\$	\$
Management fees for the year paid/payable by the Scheme to the Responsible Entity	<b>2,000,444</b>	1,407,560
Other fees for the year paid/payable by the Scheme to the Responsible Entity	<b>2,934,783</b>	3,105,266
Aggregate amounts payable to the Responsible Entity at the end of the year	<b>921,484</b>	991,430
Fees rebated by the Responsible Entity for the Scheme's investment in other scheme managed by the Responsible Entity	<b>50,211</b>	96,439

## 12 Related party transactions (continued)

### Related party unitholdings

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

2019	Members funds opening \$'000	Members funds closing \$'000	Fair value of investment \$'000	Interest held (%)	Contributions \$'000	Withdrawals \$'000	Distributions paid by the Scheme \$'000
Member							
Australian Unity Pooled Mortgage Fund	6,261	5,461	5,461	2.57	-	(800)	372
Mortgages No.1 Internal Investment Trust	9,076	31,225	31,225	14.68	29,149	(7,000)	1,337
<b>Total</b>	<b>15,337</b>	<b>36,686</b>	<b>36,686</b>	<b>17.25</b>	<b>29,149</b>	<b>(7,800)</b>	<b>1,709</b>

2018	Members funds opening \$'000	Members funds closing \$'000	Fair value of investment \$'000	Interest held (%)	Contributions \$'000	Withdrawals \$'000	Distributions paid by the Scheme \$'000
Member							
Australian Unity Pooled Mortgage Fund	10,411	6,261	6,261	4.71	-	(4,150)	363
Mortgages No.1 Internal Investment Trust	13,806	9,076	9,076	6.83	1,020	(5,750)	969
<b>Total</b>	<b>24,217</b>	<b>15,337</b>	<b>15,337</b>	<b>11.54</b>	<b>1,020</b>	<b>(9,900)</b>	<b>1,332</b>

### Investments

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

2019	No. of units held opening '000	No. of units held closing '000	Fair value of investment \$'000	Interest held %	No. of units acquired '000	No. of units disposed '000	Distributions received/ receivable \$'000
Australian Unity Wholesale Cash Fund	31,201	24,813	24,813	4.58	118,901	(125,289)	451
	<b>31,201</b>	<b>24,813</b>	<b>24,813</b>		<b>118,901</b>	<b>(125,289)</b>	<b>451</b>

## 12 Related party transactions (continued)

### Investments (continued)

	No. of units held opening	No. of units held closing	Fair value of investment \$'000	Interest held %	No. of units acquired '000	No. of units disposed '000	Distributions received/ receivable \$'000
2018	'000	'000	\$'000	%	'000	'000	\$'000
Australian Unity Wholesale Cash Fund	23,132	31,201	31,201	4.15	123,095	(115,026)	549
	23,132	31,201	31,201		123,095	(115,026)	549

Accrued income includes distributions of \$54,445 (2018: \$68,526) in respect of Australian Unity Wholesale Cash Fund which remains unpaid at the end of the year.

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

	2019 \$'000	2018 \$'000
Profit/(loss) for the year attributable to members	-	-
Increase/(decrease) in net assets attributable to members	-	-
Issuance of mortgage loans	<b>(155,593)</b>	(114,527)
Proceeds from repayment of mortgage loans	<b>69,377</b>	106,745
Distribution to members	<b>13,609</b>	8,592
Increase in receivables	<b>(841)</b>	(181)
(Decrease)/increase in payables and other liabilities	<b>(62)</b>	708
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(73,510)</b>	1,337

## 14 Events occurring after end of the financial year

The directors of the Responsible Entity are not aware of any matter or circumstance arising since 30 June 2019 which has significantly affected or may significantly affect the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2019 or on the results and cash flows of the Scheme for the year ended on that date.

## 15 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019 and 30 June 2018.

**Directors' declaration**

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 26 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Scheme's financial position as at 30 June 2019 and of its performance, as represented by the results of its operations and cash flows for the year ended on that date.
- (b) There are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable,
- (c) The financial statements are in accordance with the Scheme's Constitution, and
- (d) Note 2(a) confirms that the financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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



Director



Director

20 September 2019



## *Independent auditor's report*

To the members of Australian Unity Select Income Fund

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### *Our opinion*

In our opinion:

The accompanying financial report of Australian Unity Select Income Fund (the Scheme) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Scheme's financial position as at 30 June 2019 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### ***What we have audited***

The financial report comprises:

- the statement of financial position as at 30 June 2019
- the statement of comprehensive income for the year then ended
- the statement of changes in net assets attributable to members – liability for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

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### *Basis for opinion*

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

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

### ***Independence***

We are independent of the Scheme 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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### *Other information*

The directors of Australian Unity Funds Management Limited (the “Responsible Entity”) are responsible for the other information. The other information comprises the information included in the annual financial report for the year ended 30 June 2019, including the directors’ report, but does not include the financial report and our auditor’s report thereon.

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

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

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

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### *Responsibilities of the directors of the Responsible Entity for the financial report*

The directors of the Responsible Entity of the Scheme 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 of the Responsible Entity 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 of the Responsible Entity are responsible for assessing the ability of the Scheme to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Responsible Entity either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

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### *Auditor’s responsibilities for the audit of the financial report*

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

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



## *Matters relating to the electronic presentation of the audited financial report*

This auditor's report relates to the financial report of Australian Unity Select Income Fund for the year ended 30 June 2019 included on Australian Unity's web site. The directors of the Responsible Entity of the Scheme are responsible for the integrity of Australian Unity's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

*PricewaterhouseCoopers*

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'G. Sagonas', written over a light blue horizontal line.

George Sagonas  
Partner

Melbourne  
20 September 2019