

SUNCORP COVERED BOND TRUST

ABN 14 274 852 576

Financial report

For the financial year ended 30 June 2023

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Manager's Report

For the financial year ended 30 June 2023

For the purposes of this report, the 'Manager' refers to SME Management Pty Limited, being the Cash Manager and Administrative Agent of the Trust. The Manager has prepared this general purpose financial report under delegation of Perpetual Corporate Trust Limited (the **Trustee**). The Manager of Suncorp Covered Bond Trust (the **Trust**) presents its report together with the financial statements of the Trust for the financial year ended 30 June 2023.

Principal activities

The Trust's principal activities during the year consisted of carrying on a business to purchase a cover pool of assets by equitable assignment and to guarantee the covered bonds issued by the parent entity, Suncorp-Metway Limited (**SML**). The Trust entered into an Intercompany Loan Agreement with SML to fund the purchase of the cover pool by equitable assignment. The intercompany loan consists of a guarantee loan and demand loan, which represent the debts of the Trust.

There have been no significant changes in the nature of the principal activities of the Trust during 2023.

Operating and financial review

The Trust's net profit before distribution expense for the financial year ended 30 June 2023 is \$19.70 million (2022: \$8.16 million).

Significant changes in the state of affairs

On 18 July 2022, Suncorp Group Limited (ultimate parent entity) announced it would sell 100% of its ownership in SBGH Limited, the non-operating holding Company of the Banking Group, to Australia and New Zealand Banking Group Limited (**ANZ**).

Other than the matter noted above, there were no significant changes in the state of affairs of the Trust during the financial year.

Events subsequent to reporting date

On 4 August 2023, the Australian Competition and Consumer Commission (**ACCC**) announced it would deny authorisation of the planned sale. On 25 August 2023 ANZ announced it has filed an application for Australian Competition Tribunal (the **Tribunal**) review of the decision by the ACCC not to grant authorisation for ANZ's proposed acquisition of SBGH Limited. In support of ANZ's application, Suncorp Group has made its own application to the Tribunal for a review of the ACCC's decision and will participate fully in its own right throughout the Tribunal process. In addition to the Tribunal's approval, the sale remains subject to the amendment of the *State Financial Institutions and Metway Merger Act 1996 (Qld)* and final approval from the Federal Treasurer under the *Financial Sector (Shareholdings) Act 1998*. Subject to all approvals being received, the Group expects the sale to complete by the middle of the 2024 calendar year.

On 12 July 2023, SML issued covered bonds of \$1,000.00 million for a 5-year term. The secured loan representing the Trust's interest in the cover pool assets was increased by \$1,070.00 million in June with a corresponding increase in the Demand loan with SML of \$1,070.00 million, prior to the transaction.

Other than the matters noted above, the Manager is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the Trust, the results of its operations or the state of affairs of the Trust in subsequent financial years.

Likely developments

There has been no substantial change in the operations of the Trust, and no substantial changes are expected in the coming financial year.

Rounding of amounts

All amounts have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors of the Manager, SME Management Pty Limited.



DIRECTOR

SME Management Pty Limited

30 August 2023

Statement of comprehensive income

For the financial year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Revenue			
Interest income on secured loan		145,880	43,677
Interest income on cash and cash equivalents		3,786	82
Other income on secured loan		2,870	2,765
Total revenue		152,536	46,524
Expenses			
Interest expense on floating rate notes		(129,994)	(35,996)
Trustee and Manager Fee		(2,432)	(1,824)
Expected credit loss on financial assets - expense	4.1	(410)	(545)
Total expenses		(132,836)	(38,365)
Profit before distribution expenses		19,700	8,159
Servicing fee		(6,173)	(4,610)
Residual income rights		(13,527)	(3,549)
Total distribution expenses		(19,700)	(8,159)
Profit before income tax		-	-
Income tax expense		-	-
Profit for the financial year attributable to the unitholders of the Trust		-	-
Total comprehensive income for the financial year attributable to the unitholders of the Trust		-	-

The statement of comprehensive income is to be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents		280	412
Receivables	3	109,991	77,384
Secured loan	4	4,123,371	2,255,964
Total assets		4,233,642	2,333,760
Liabilities			
Payables	5	33,642	13,760
Interest bearing liabilities	6	4,200,000	2,320,000
Total liabilities excluding outstanding units		4,233,642	2,333,760
Units on issue	7	-	-
Total liabilities		4,233,642	2,333,760
Net assets		-	-

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of changes in equity

For the financial year ended 30 June 2023

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

Statement of cash flows

For the financial year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Interest received on secured loan		134,631	60,192
Advance from secured loan		(1,883,368)	(228,078)
Fees received on secured loan		6,067	2,907
Interest paid on interest-bearing liabilities		(123,190)	(51,889)
Distribution paid		(11,460)	(8,896)
Fees paid		(2,812)	(2,285)
Net cash used in operating activities	9	(1,880,132)	(228,049)
Cash flows from investing activities			
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from interest-bearing liabilities		1,880,000	60,000
Net cash from financing activities		1,880,000	60,000
Net decrease in cash and cash equivalents		(132)	(168,049)
Cash and cash equivalents at the beginning of the financial year		412	168,461
Cash and cash equivalents at the end of the financial year		280	412

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the financial statements

For the financial year ended 30 June 2023

1. Reporting entity

The Suncorp Covered Bond Trust (the **Trust**) is domiciled in Australia.

The Trust was established with the purpose of carrying on a business to purchase a cover pool of assets by equitable assignment and to guarantee the covered bonds issued by the parent entity, Suncorp-Metway Limited (**SML**). The ultimate parent entity of the Trust is Suncorp Group Limited.

The Trust was established by the Trust Deed between the Issuer, Seller and Servicer (**SML**), the Cash Manager and Administrative Agent, being SME Management Pty Limited (the **Manager**) and the Covered Bond Guarantor (Perpetual Corporate Trust Limited, in its capacity as Trustee of the Trust) dated 10 May 2012.

In accordance with the Trust Deed, the Trust was constituted on 25 May 2012 following the receipt of \$20, being the initial assets of the Trust.

The Trust entered into an Intercompany Loan Agreement with SML to fund the purchase of the cover pool by equitable assignment. The intercompany loan consists of a guarantee loan and demand loan, which represent the debts of the Trust.

The parent entity of the Trust is Suncorp-Metway Limited (**SML**) and the ultimate parent entity is Suncorp Group Limited (**SGL**). The registered office of the Manager is at Level 23, 80 Ann Street, Brisbane QLD 4000.

The financial report was authorised for issue by the directors of SME Management Pty Limited on 30 August 2023.

On 18 July 2022, SGL announced it would sell 100% of its ownership in SBGH Limited, the non-operating holding Company of the Banking Group, to Australia and New Zealand Banking Group Limited (**ANZ**).

On 4 August 2023, the Australian Competition and Consumer Commission (**ACCC**) announced it would deny authorisation of the planned sale of Suncorp Bank to ANZ. On 25 August 2023 ANZ announced it has filed an application for Australian Competition Tribunal (the **Tribunal**) review of the decision by the ACCC not to grant authorisation for ANZ's proposed acquisition of SBGH Limited. In support of ANZ's application, Suncorp Group has made its own application to the Tribunal for a review of the ACCC's decision and will participate fully in its own right throughout the Tribunal process. In addition to the Tribunal's approval, the sale remains subject to the amendment of the *State Financial Institutions and Metway Merger Act 1996 (Qld)* and final approval from the Federal Treasurer under the *Financial Sector (Shareholdings) Act 1998*. Subject to all approvals being received, the Group expects the sale to complete by the middle of the 2024 calendar year.

2. Basis of preparation

The Trust is a for-profit entity and its financial statements have been prepared on the historical cost basis unless the application of fair value measurement is required by relevant accounting standards.

The financial statements of the Trust are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures.

The financial report is presented in Australian dollars which is the Trust's functional and presentation currency.

Where necessary, comparatives have been restated to conform to changes in presentation in the current year.

Significant accounting policies applied in the preparation of the financial statements are set out in note 11.

2.1 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the financial statements. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Estimates and underlying assumptions are reviewed on an ongoing basis. Where revisions are made to accounting estimates, any financial impact is recognised in the period in which the estimate is revised. Significant estimates, judgments and assumptions are discussed in the following notes:

- Expected credit loss model methodology, estimates and assumptions (note 4.2); and
- recognition of secured loan because of the sale of cover pool assets by SML not qualifying for de-recognition (note 11.6).

3. Receivables

	2023 \$'000	2022 \$'000
Related party receivable	101,770	74,668
Interest receivable	8,082	2,608
GST receivable	139	108
Total receivables	109,991	77,384

4. Secured loan

	Note	2023 \$'000	2022 \$'000
Gross secured loan		4,124,874	2,257,057
Provision for expected credit loss	4.1	(1,503)	(1,093)
Net secured loan		4,123,371	2,255,964
Current ¹		750,000	-
Non-current		3,373,371	2,255,964
Net secured loan		4,123,371	2,255,964

¹ The Secured loan represents the Trust's interest in the cover pool assets purchased from SML by equitable assignment and per requirements is over-collateralised compared to the covered bonds issued by SML. Secured loan purchases are financed through interest-bearing liabilities (related party balance with SML) that represent the value of issued covered bonds plus an over-collateralisation amount. Therefore, the maturity of the Secured loan and interest-bearing liabilities are closely aligned to the issued covered bonds.

The Trust recognised a receivable due from SML, representing a secured loan (also refer note 11.6) rather than the underlying securitised mortgages. The secured loan is secured by an equitable interest in the mortgage loans held by SML.

The collateral against the cover pool held by SML is in the form of mortgage interests over Australian residential property. Estimates of fair value are based on the value of collateral assessed at the time of origination, and generally are not updated except when a loan is individually assessed as impaired.

The potential for impairment of the secured loan reflects the potential impairment of the underlying cover pool assets managed by SML.

4.1 Reconciliation of provision for expected credit loss

	2023 \$'000	2022 \$'000
Balance at beginning of period	(1,093)	(548)
Increase in collective provision for impairment	(631)	(324)
Decrease (Increase) in specific provision for impairment	221	(221)
Total expected credit loss on financial assets	(410)	(545)
Balance as at end of period	(1,503)	(1,093)

4.2 Expected credit loss model methodology, estimates and assumptions

Expected credit loss (ECL) model

ECL is recorded for all financial assets measured at amortised cost. ECL is calculated as the probability of default (**PD**) x loss given default (**LGD**) x exposure at default. The credit models are calibrated to reflect PD and LGD estimates based on historical observed experience, as well as reflecting the influence of unbiased forward-looking views of macroeconomic conditions, through macroeconomic variables that influence credit losses, for example forecasts for real-GDP, unemployment rates and changes in residential property prices.

The economic forecasts underpinning the PD and LGD estimates are reviewed on at least a six-monthly basis, taking into account expert judgment. Management has included adjustments to the modelled provisions to capture emerging risks that have not yet been captured in the ECL model.

Financial assets that are subject to credit risk are assigned to one of three stages and could be reassigned based on changes in asset quality:

	Asset quality	Provision established to provide for ECL for:
Stage 1	Performing and/or newly originated assets.	A 12-month period.
Stage 2	Have experienced a significant increase in credit risk (SICR) since origination.	The remaining term of the asset (lifetime ECL).
Stage 3	In default as they are either past due but not impaired or impaired assets.	Lifetime ECL.

Agency ratings reflect the quality of underlying securitised mortgages. A SICR event occurs if agency ratings deteriorate below the point where substantially all units issued are no longer considered to be investment grade.

As at 30 June 2023, given the nature of the secured loan being a fully collateralised receivable due from SML and relevant agency ratings concerning investment quality of the Trust, the entire ECL for the Trust is classified as stage 1.

For cash and cash equivalents and receivables, the Trust applies a simplified approach in calculating ECL. Under the simplified approach the Trust does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date.

5. Payables

	2023 \$'000	2022 \$'000
Distribution payable	17,479	8,770
Interest payable	13,776	3,919
Manager fee - payable to related party	266	147
Sundry creditors and accruals	2,121	924
Total payables	33,642	13,760

6. Interest-bearing liabilities

	2023 \$'000	2022 \$'000
Demand loan	1,127,730	51,324
Guarantee loan	3,072,270	2,268,676
Total interest-bearing liabilities	4,200,000	2,320,000
Current ¹	750,000	-
Non-current	3,450,000	2,320,000
Total interest-bearing liabilities	4,200,000	2,320,000

¹ The Secured loan represents the Trust's interest in the cover pool assets purchased from SML by equitable assignment and per requirements is over-collateralised compared to the covered bonds issued by SML. Secured loan purchases are financed through interest-bearing liabilities (related party balance with SML) that represent the value of issued covered bonds plus an over-collateralisation amount. Therefore, the maturity of the Secured loan and interest-bearing liabilities are closely aligned to the issued covered bonds.

7. Units on issue

	2023		2022	
	Number	\$	Number	\$
Income unit	1	10	1	10
Capital unit	1	10	1	10
On issue at the end of the year	2	20	2	20

The Residual Income Unitholder has no right to receive distributions in respect of the Trust except:

- any amounts payable to the Residual Income Unitholder under clause 18.7 of the Trust Deed, the Priorities of Payments and the Security Trust Deed and when the Trust ends, a distribution of all of the remaining Trust's assets, subject to the rights of the Residual Capital Unitholder; and
- when the Trust ends subject to the amount of available funds, an amount equal to the subscription price of the Residual Capital Unit.

8. Related party

Balances with related parties consist of Related party receivable (refer to note 3), Secured Loan (refer to note 4) and Manager fee payable (refer to note 5). The balances consist of Manager short-term working capital accounts and long-term loans (financing arrangements).

9. Reconciliation of cash flows from operating activities

	2023 \$'000	2022 \$'000
Profit for the financial year	-	-
Non-cash items		
Expected credit loss on financial assets	410	545
Change in operating assets and liabilities		
Increase in secured loan	(1,867,817)	(8,408)
Increase in receivables	(32,607)	(74,706)
Increase (decrease) in payables	19,882	(145,480)
Net cash used in operating activities	(1,880,132)	(228,049)

10. Auditor's remuneration

	2023	2022
	\$	\$
KPMG Australia		
Audit of the financial report	29,274	28,880
Other assurance services	20,000	-
Total auditor's remuneration	49,274	28,880

Fees for services rendered by the Trust's auditor are borne by the income and capital unitholder, SML.

11. Significant accounting policies

The accounting policies set out below have been applied consistently to all financial years presented in these financial statements.

11.1 Revenue and expense recognition

Interest revenue and expense are recognised in profit or loss for all interest-bearing instruments measured at amortised cost using the effective interest method.

The effective interest method uses the effective interest rate to allocate interest income and expense over the relevant accounting period for the financial asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash payments and receipts through the expected life of the financial instrument, or when appropriate, a shorter period to the gross carrying amount of the financial asset or liability.

This calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other discounts or premiums.

Interest income on the secured loan (refer note 11.6) comprises interest income from the cover pool, any fee income earned from the cover pool and net interest income/expense not separately recognised under the interest rate swap (refer note 11.7).

11.2 Income tax

The Trust is only liable to income tax to the extent that accumulated income is assessable. Under current legislation the Trusts are not subject to income tax as the taxable income, including assessable realised capital gains are distributed in full to the unitholder.

11.3 Goods and services tax (GST)

Revenues, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or the amount of expense.

Receivables and payables are stated with the amount of GST included.

11.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash on deposit and money at short call. They are measured at face value or the gross value of the outstanding balance.

11.5 Non-derivative financial assets

For assets where cash flows are solely payments of principal and interest and the business model is held-to-collect these cash flows, the classification is at amortised cost. This category includes the secured loan.

They are initially measured at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost less any impairment losses.

The secured loan is an example of a non-derivative financial asset recognised by the Trust. Refer to note 11.6 for further details on its accounting treatment.

11.6 Secured loan

The secured loan represents the Trust's interest in the cover pool assets purchased from SML by equitable assignment.

The sale of the cover pool assets from SML to the Trust does not qualify for derecognition in accordance with *AASB 9 Financial instruments (AASB 9)*, because the sale is deemed to have failed to transfer substantially all the risks and rewards of ownership. Consequently, SML continues to recognise the cover pool assets and recognise a corresponding financial liability to the Trust on its statement of financial position. In turn, the Trust recognises a financial asset due from SML, being the secured loan, and a corresponding financial liability to SML.

The transfer of substantially all the risks and rewards of ownership is evaluated by comparing the entity's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. An entity has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability of the future net cash flows from the financial asset does not change significantly as a result of the transfer.

Under the sale agreement, the Trust assumes any variability of principal cash flows from the cover pool assets purchased, while the variability of the interest income cash flows, as a result of the interest rate swap agreement (refer note 11.7) and the ownership of the residual income unit (refer note 7), remains with SML.

As a result, after considering all reasonably possible variability in net cash flows, with greater weight given to those outcomes that are more likely to occur, SML is deemed to have failed to transfer substantially all of the risk and rewards.

11.7 Derivative financial instruments

The Trust has entered into an interest rate swap with SML. The purpose of this swap is to align the basis of the revenue from the cover pool assets purchased under equitable assignment from SML (refer note 11.6) to the interest expense under the debt. The interest rate swap converts the revenue receipts from the variable and fixed rate mortgages to a floating rate basis.

As a consequence of SML's sale of cover pool assets to the Trust not qualifying for derecognition (refer note 11.6), AASB 9 also denies the Trust from separately recognising derivatives that cause the failure for derecognition. Therefore, the Trust has not separately recognised the interest rate swaps in the statement of financial position and no gains or losses have been recognised in profit or loss.

11.8 Non-derivative financial liabilities

Financial liabilities at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the issue of the financial liability. Subsequent measurement is at amortised cost using the effective interest method.

11.9 Units issued

The units issued by the Trust satisfy the definition of a liability under AASB 132 *Financial Instruments: Presentation* and are accounted for as a financial liability at amortised cost.

12. Subsequent events

On 12 July 2023, SML issued covered bonds of \$1,000.00 million for a 5-year term. The secured loan representing the Trust's interest in the cover pool assets was increased by \$1,070.00 million in June with a corresponding increase in the Demand loan with SML of \$1,070.00 million, prior to the transaction.

Other than the ACCC announcement on 4 August 2023 (refer to note 1) and the matter above there has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Trustee of the Trust, to affect significantly the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

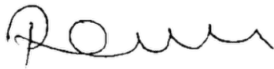
Trustee's Report

For the financial year ended 30 June 2023

Pursuant to the Trust Deed for the Trust this general purpose financial report has been prepared by SME Management Pty Limited (the Manager), and has been audited by KPMG, who were appointed by the Trustee and whose report is attached.

The Trustee is not aware of any material matters that require disclosure and that have not been disclosed. The Trustee is not aware of any material matters that have occurred since the date of the financial report that require disclosure and that have not been disclosed.

Signed for and on behalf of
Perpetual Corporate Trust Limited



Rachel Carroll, Senior Client Services Manager

Authorised Officer
Perpetual Corporate Trust Limited

Sydney

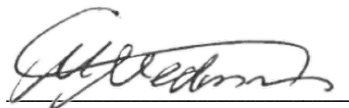
30 August 2023

Manager's declaration

The directors of the Manager, SME Management Pty Limited declare that in their opinion:

- (a) the Trust is not publicly accountable;
- (b) the financial statements and notes, set out on pages 3 to 12, present fairly, in all material respects, the financial position of the Trust as of 30 June 2023 and its financial performance and its cash flows for the period then ended in accordance Australian Accounting Standards – Simplified Disclosures;
- (c) the Trust has operated during the financial year ended 30 June 2023 in accordance with the provisions of the Trust Deed dated 10 May 2012; and
- (d) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of the Manager, SME Management Pty Limited.



Director

SME Management Pty Limited

Brisbane

30 August 2023



Independent Auditor's Report

To the Unitholders of Suncorp Covered Bond Trust

Opinion

We have audited the **Financial Report** of Suncorp Covered Bond Trust (the Trust).

In our opinion, the accompanying Financial Report presents fairly, in all material respects, the financial position of Suncorp Covered Bond Trust as at 30 June 2023, and of its financial performance and its cash flows for the year then ended, in accordance with *Australian Accounting Standards – Simplified Disclosures Framework*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2023;
- Statement of comprehensive income and Statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Manager's declaration.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

We are independent of the Trust in accordance with 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 fulfilled our other ethical responsibilities in accordance with the Code.

Restriction on use and distribution

The Financial Report has been prepared to assist the Directors of SME Management Pty Limited (the Manager) in meeting the requirements of the Trust Deed dated 10 May 2012 and in meeting the needs of the Unitholders. As a result, the Financial Report and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Perpetual Trustee Company Limited (the Trustee of the Trust), the Directors of SME Management Pty Limited and Unitholders and should not be used by or distributed to parties other than the Perpetual Trustee Company Limited, SME Management Pty Limited and Unitholders. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Report to which it relates, to any person other than the Perpetual Trustee Company Limited as Trustee of the Trust, SME Management Pty Limited and Unitholders or for any other purpose than that for which it was prepared.

Other Information

Other Information is financial and non-financial information in Suncorp Covered Bond Trust's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. This includes the Manager's Report, Trustee's Report and the Manager's declaration. The Trustee, Manager and Administrative Agent are responsible for the Other Information.

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

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

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

Responsibilities of Manager and Administrative Agent for the Financial Report

The Manager and Administrative Agent is responsible for:

- the preparation and fair presentation of the Financial Report in accordance with *Australian Accounting Standards – Simplified Disclosures* and the financial reporting requirements of the Trust Deed dated 10 May 2012;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Trust's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Trust's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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. This description forms part of our Auditor's Report.



KPMG

Brisbane
30 August 2023