

Annual Report 2021





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Trust information

Responsible Entity

Aware Financial Services Australia Limited (formerly
State Super Financial Services Australia Limited)
ABN 86 003 742 756 AFSL 238430
Phone (02) 9333 9555

Directors of the Responsible Entity

Chairperson

Claire Wivell Plater

Directors

Trevor Carr
Mark Lennon
Sarah Forman

Chief Executive Officer

Deanne Stewart

Registered office

Level 28
388 George Street
Sydney NSW 2000
Phone 1800 620 305

Bankers

Westpac Banking Corporation

Custodian

State Street Australia Limited

Auditor

Deloitte Touche Tohmatsu

Internet address

aware.com.au

Aware Investment Funds

Cash Fund	ARSN 090 078 443	Growth Fund	ARSN 090 078 103
Fixed Interest Fund	ARSN 150 755 249	Australian Equities Fund	ARSN 150 755 196
Capital Stable Fund	ARSN 090 078 961	International Equities Fund	ARSN 150 755 294
Moderate Fund	ARSN 150 755 150	Fixed Term Fund (terminated on 20 June 2021)	ARSN 603 551 891
Balanced Fund	ARSN 090 077 991		

Chairman's report

The pandemic has created economic uncertainty all over the world but, despite this, 2020-21 was a strong year for financial markets and for your investments in the Aware Investment Funds.



In last year's report I spoke about how drought, bushfires and the pandemic had made 2019-20 one of the most challenging and disruptive years in living memory. We were aware at the time that the pandemic was far from over, but no-one could have foreseen that a year later some Australian states would still be going in and out of lockdown.

First, thank you

It's in this context that I'd like to acknowledge how much the pandemic has tested the resilience of all Australians, and give our thanks to all of you who are involved in keeping our communities safe, our children learning, and essential services running.

A strong performance

For the year to 30 June 2021 we delivered strong positive performance across most of our Funds, particularly in those with a higher allocation to equities. In Class A, the Australian and International Equities Funds had an exceptional year, delivering net returns of 26.49% and 29.13% respectively. The Growth Fund returned 17.11%, more than double its average over the past ten years. Our Class B investments saw similar rates of return.



For the year to 30 June 2021 we delivered strong positive performance across most of our Funds, particularly in those with a higher allocation to equities.

Our Balanced, Growth, Australian Equities and International Equities Funds have all exceeded 6% annualised returns over the last five years, ensuring a consistent medium-term growth for investors*.

Investing for positive impact

We continue to focus on delivering strong returns, while also investing to make a positive impact in the community. We're also committed to taking action on climate change. In the past 12 months, we've achieved an emissions intensity (a measure of the levels of emission) reduction of 45% across our listed equities portfolios.

Our responsibility to you

I would like to thank the team for their hard work and commitment to delivering the best possible outcome for you. As custodians of your investments, we take very seriously our responsibility of reporting back to you on our performance, achievements and outlook for the future. This reflects our strong governance framework and our commitment to transparency. On behalf of the Board, thank you for putting your confidence in us to help you reach your retirement goals.

Best wishes

A black ink signature of Claire Wivell Plater, written in a cursive style.

Claire Wivell Plater
Chairman

* Past performance is not indicative of future performance. Our latest investment returns are available on our website.

Your trustees

Claire Wivell Plater

Chairman



Claire is an experienced non-executive director, lawyer and entrepreneur.

Claire has enjoyed a distinguished legal career, founding The Fold Legal in 2002 to provide regulatory and commercial advice on diverse aspects of financial services and before that, 17 years with Phillips Fox (now DLA Piper) as an insurance law specialist. She also spent 2½ years with ING Australia, in various commercial roles.

Claire is a non-executive director of Youi Pty Ltd and Athena Financial Pty Ltd, and a member of the Compliance and Audit Committees of the US Residential Masters Fund and the Advisory Boards of a number of fintech startups.

She served on ASIC's Business Advisory Committee to the Registry and Licensing Division between 2009-2019, the Federal Treasurer's Fintech Advisory Group between 2016-2019 and was Honorary Counsel to the Institute of Managed Account Providers between 2009-2019.

Mark Lennon

Director



Mark was Secretary of Unions NSW between 2008-2015 and previously held a number of positions including Assistant Secretary, Training Officer, Industrial Officer and Executive Officer.

Mark has been a Director since June 2016. Mark has an extensive background in superannuation and financial services, having been a Director of ASSET Super, First State Super and Chifley Financial Services. Mark is currently a Director of the Sydney Financial Forum and the McKell Institute. He is also the immediate past President of the NSW Branch of the ALP and former secretary of Unions NSW.

Trevor Carr

Director



Trevor has built an extensive career in governance, policy evaluation and advocacy, and the operation of public healthcare and aged care services.

Trevor has been directly involved with health service and aged care provider boards for more than 30 years and was formerly CEO of Leading Age Services Australia Victoria (LASA Victoria). LASA National is now the peak body for aged care in Australia, and the united voice for providers and other organisations associated with aged and community care. Before this, he was Chief Executive Officer of the Victorian Healthcare Association (VHA), a position he held for eight years.

Trevor held board positions with First State Super. He was also appointed as a Director of the StatePlus board in 2016.

Sarah Forman

Director



Sarah was appointed the Group Executive, Advice at Aware Super in October 2019.

Prior to that Sarah was employed at BT Financial Group (BTFG) as Acting National Manager, BT Financial Advice, where she was responsible for the salaried financial planning business of 600. Sarah also led the Advice offer development and the NSW/ACT advice teams at BT Financial Advice. Across a span of 25 years at BTFG, Sarah worked in Operations, Marketing, Product and Program Management. Sarah is a graduate of the Australian Institute of Company Directors.

Investment performance



Investment performance

Returns of the Funds (%) – Years ended 30 June 2021 (net of all fees) – Class A

Fund	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception date
Cash	0.02	0.29	0.63	0.83	1.06	1.54	3.43	28/11/1991
Fixed Interest	-1.77	0.76	2.75	2.11	2.71	-	3.57	21/07/2011
Capital Stable	4.45	2.80	3.62	3.55	3.56	3.89	5.22	28/11/1991
Moderate	7.45	4.45	5.10	4.50	4.69	-	5.41	21/07/2011
Balanced	12.71	6.42	6.75	6.03	5.94	6.70	6.52	28/11/1991
Growth	17.11	7.63	7.77	7.31	6.97	8.02	5.92	16/06/1997
Australian Equities	26.49	6.53	7.02	7.97	6.66	-	7.93	21/07/2011
International Equities	29.13	15.49	13.62	12.79	11.61	-	12.44	21/07/2011

The returns set out above are compound average annual returns and have been calculated after deducting fees and expenses payable by each Fund.

Returns are calculated based on the movement of a Fund's unit price and distributions paid over the relevant period.

Past performance is not a reliable predictor of future investment returns. Markets can be volatile and can move rapidly up and down.

These performance returns do not take into consideration your individual transactions and therefore, may not fully reflect your investment experience.

Returns of the Funds (%) – Years ended 30 June 2021 (net of all fees) – Class B

Fund	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception date
Cash	0.01	0.40	0.91	1.24	1.54	-	1.68	2/04/2013
Fixed Interest	-1.74	0.95	3.08	2.59	3.26	-	3.40	2/04/2013
Capital Stable	4.52	3.02	4.03	4.03	4.12	-	4.15	2/04/2013
Moderate	7.53	4.64	5.48	5.04	5.29	-	5.61	2/04/2013
Balanced	12.86	6.68	7.18	6.56	6.55	-	7.05	2/04/2013
Growth	17.15	7.64	8.04	7.70	7.49	-	8.37	2/04/2013
Australian Equities	26.70	6.96	7.56	8.59	7.35	-	7.96	2/04/2013
International Equities	29.45	15.86	14.13	13.44	12.29	-	13.87	2/04/2013

The returns set out above are compound average annual returns and have been calculated after deducting fees and expenses payable by each Fund.

Returns are calculated based on the movement of a Fund's unit price and distributions paid over the relevant period.

Past performance is not a reliable predictor of future investment returns. Markets can be volatile and can move rapidly up and down.

These performance returns do not take into consideration your individual transactions and therefore, may not fully reflect your investment experience.

Inflation (%)

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
Inflation	3.85	1.73	1.68	1.81	1.66	1.82

Statistics as at 30 June 2021 – Class A

Fund	Net Assets \$'000	Total Distribution Cents/Unit	Income %	Growth %	Total Return* %
Cash	22,881	0.02	0.02	0.00	0.02
Fixed Interest	1,949	0.77	0.72	-2.50	-1.77
Capital Stable	203,557	1.67	1.49	2.96	4.45
Moderate	215,230	2.14	1.91	5.54	7.45
Balanced	276,759	3.93	3.00	9.71	12.71
Growth	100,126	4.03	3.79	13.32	17.11
Australian Equities	7,841	0.67	0.80	25.69	26.49
International Equities	7,179	13.05	9.25	19.88	29.13

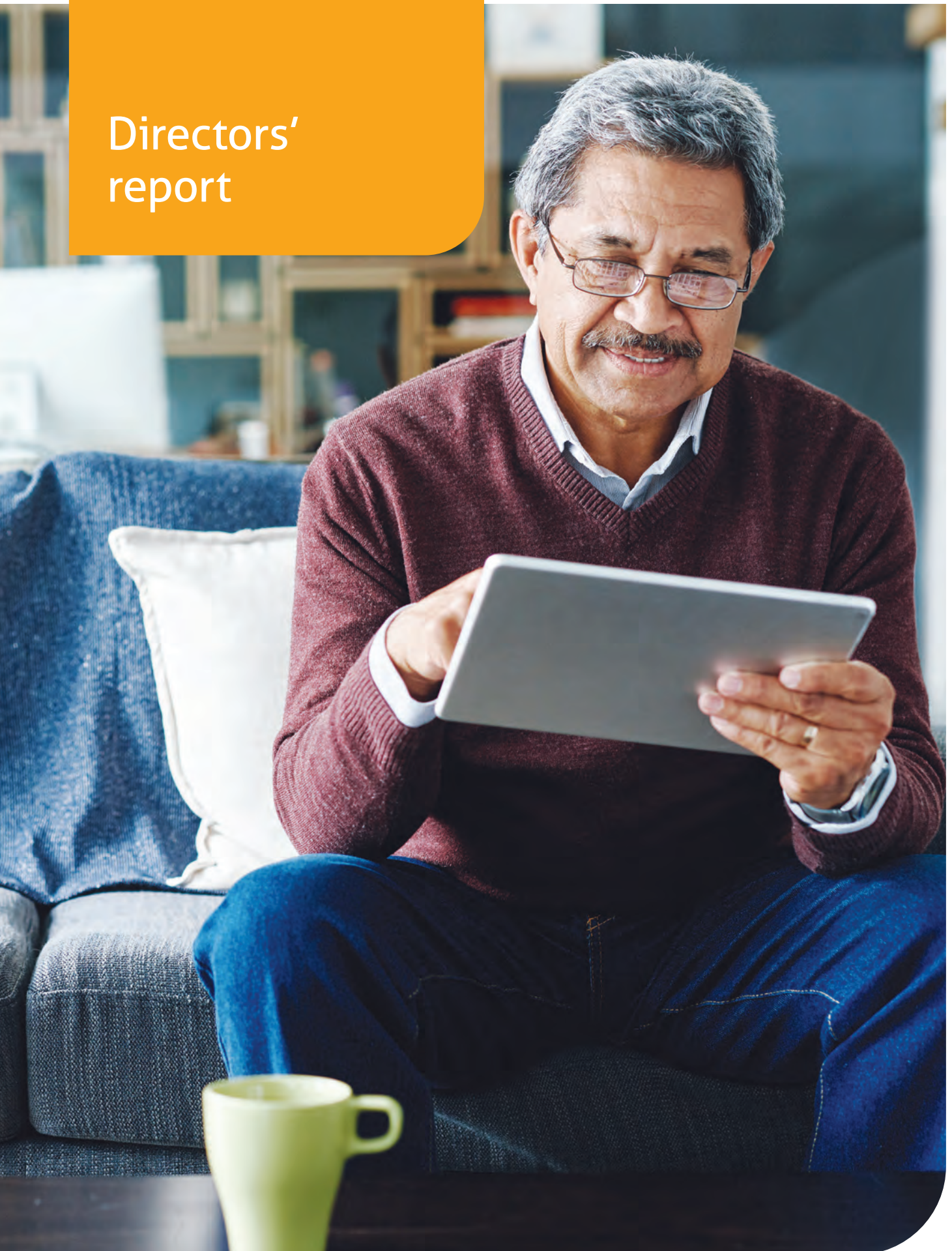
* Returns are based on the movement of the transactional unit prices over the financial year and assume reinvestment of income distributions.

Statistics as at 30 June 2021 – Class B

Fund	Net Assets \$'000	Total Distribution Cents/Unit	Income %	Growth %	Total Return* %
Cash	31,981	0.01	0.01	0.00	0.01
Fixed Interest	2,052	0.90	0.74	-2.48	-1.74
Capital Stable	173,119	1.67	1.37	3.14	4.52
Moderate	283,742	2.57	2.05	5.48	7.53
Balanced	280,146	3.84	2.89	9.97	12.86
Growth	90,738	4.94	3.28	13.86	17.15
Australian Equities	15,699	0.81	0.80	25.89	26.70
International Equities	11,809	13.30	8.35	21.10	29.45

* Returns are based on the movement of the transactional unit prices over the financial year and assume reinvestment of income distributions.

Directors' report



In accordance with the *Corporations Act 2001*, Aware Financial Services Australia Limited (formerly State Super Financial Services Australia Limited), the Responsible Entity for the Aware Investment Fund (formerly StatePlus Investment Fund) (the 'Trust') reports as follows for the year ended 30 June 2021.

Principal activities

The principal activity of the Trust is to provide investors with the ability to invest in various investment options, the combination of which can be tailored to meet the investor's risk profile.

Each investment option has a separate investment strategy, and the assets of each option are managed by external specialist investment managers through a series of discrete investment trusts of which Aware Financial Services Australia Limited is also the Trustee. The Trust's Product Disclosure Statement (PDS) sets out details of the investment process.

Except for the termination of the Fixed Term Fund, there were no other significant changes in the nature of the Trust's activities during the year.

Directors of the Responsible Entity

The names of the Directors of the Responsible Entity during or since the end of the financial year are:

- Claire Wivell Plater (Chairperson)
- Trevor Carr
- Mark Lennon
- Sarah Forman

Investment options in the scheme

During the financial year the Trust offered registered managed investment schemes that comprise the Aware Investment Fund – Class A (Investment Fund – Class A) and the Aware Investment Fund – Class B (Investment Fund – Class B).

The Investment Fund – Class A and Class B consisted of nine registered managed investment schemes (Funds) – Cash, Fixed Interest, Capital Stable, Moderate, Balanced, Growth, Australian Equities, International Equities and Fixed Term Fund.

Prior to 1 December 2019, the management fee charged on Class A investment options included the provision of advice services. On 1 December 2019, the fee construct of the Class A investment options was changed to disaggregate the fee into two separate fees, being a management fee and an advice fee. The management fee is payable by all members invested in Class A investment options whereas the advice fee is only payable by those members who elect to opt-in to ongoing advice services.

The Fixed Term Fund closed on 20 June 2021 (see 'Changes of State of Affairs' below for further details).

Review of operations

Results

The results of the operations of the Aware Investment Fund are disclosed in the Statement of Comprehensive Income. The net profit/(loss) attributable to unit holders for the year ended 30 June 2021 was:

Investment Funds	Year Ended 30 June 2021 \$'000	Year Ended 30 June 2020 \$'000
Cash Fund	5	412
Capital Stable Fund	14,530	10,785
Balanced Fund	67,734	11,950
Growth Fund	30,067	1,792
Australian Equities Fund	4,779	(1,627)
International Equities Fund	5,600	1,065
Fixed Interest Fund	(271)	395
Moderate Fund	34,639	13,118
Fixed Term Fund (closed on 20 Jun 2021)	73	123
Total	157,156	38,013

Review of operations (continued)

Distributions paid and/or declared

In respect of the financial year ended 30 June 2021, a final distribution was paid to unit holders on 8 July 2021. The distributions paid and or declared in respect of the financial year ended 30 June 2021 are detailed below:

Investment Funds – Class A	Year Ended 30 June 2021 c/unit	Year Ended 30 June 2020 c/unit
Cash Fund	0.01	0.54
Capital Stable Fund	1.67	6.51
Balanced Fund	3.93	13.56
Growth Fund	4.03	28.27
Australian Equities Fund	0.67	27.45
International Equities Fund	13.05	17.56
Fixed Interest Fund	0.77	4.30
Moderate Fund	2.14	4.05

Investment Funds – Class B	Year Ended 30 June 2021 c/unit	Year Ended 30 June 2020 c/unit
Cash Fund	0.01	0.78
Capital Stable Fund	1.67	2.53
Balanced Fund	3.84	3.34
Growth Fund	4.94	3.26
Australian Equities Fund	0.81	17.12
International Equities Fund	13.30	6.97
Fixed Interest Fund	0.90	5.24
Moderate Fund	2.57	3.86

Distributions paid and/or payable by the Trust during the year are shown in Note 3 to the financial statements.

Distributions are determined by the realised income and capital gains in the Funds, excluding unrealised income from changes in fair value of investments. This is in contrast to the net profit or loss on the Funds which include both realised and unrealised income.

For the financial year ended 30 June 2021, the majority of the net profits of the Funds were driven by unrealised gains in the fair value of investments. In comparison, the 2020 financial year had a larger proportion of net profits driven by realised gains as a result of a restructure in December 2019 to simplify the Funds' holding of their underlying investments (see Note 1 to the financial statements). As a result, the distributions paid or declared for that year were higher than the distributions for the 2021 financial year for most Funds.

Fixed term interest paid

The coupon interests paid in respect of the financial year ended 30 June 2021 are as follows:

Investment Fund – Class A \$49,735 (2020: \$95,071) and Investment Fund – Class B \$32,014 (2020: \$52,202).

Unit price history

The following table shows the after-distribution unaudited Exit Price for the Funds at the close of business for the past five financial years ending 30 June, along with the highest and lowest Exit Price during each of these past five financial years.

After-Distribution Exit Price Class A Funds	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Cash Fund					
At 30 June	1.0000	1.0000	1.0000	1.0000	1.0000
High during year	1.0000	1.0000	1.0000	1.0000	1.0000
Low during year	1.0000	1.0000	1.0000	1.0000	1.0000
Capital Stable Fund					
At 30 June	1.1707	1.1820	1.2222	1.1781	1.1662
High during year	1.1707	1.2027	1.2223	1.1963	1.1935
Low during year	1.1249	1.1425	1.1748	1.1653	1.1627
Balanced Fund					
At 30 June	1.4820	1.4485	1.5403	1.4531	1.4262
High during year	1.4820	1.5333	1.5480	1.4833	1.4859
Low during year	1.3212	1.3295	1.4106	1.4197	1.4024
Growth Fund					
At 30 June	1.2494	1.3477	1.3958	1.2975	1.2461
High during year	1.2494	1.4834	1.4084	1.3195	1.3137
Low during year	1.0724	1.2044	1.2276	1.2353	1.2063
Australian Equities Fund					
At 30 June	1.1819	1.1920	1.4046	1.3245	1.2618
High during year	1.1891	1.4523	1.4183	1.3625	1.3516
Low during year	0.9343	0.9264	1.1782	1.2473	1.1962
International Equities Fund					
At 30 June	1.8238	1.5869	1.7755	1.6191	1.5663
High during year	1.8279	1.7813	1.7948	1.7530	1.7818
Low during year	1.4168	1.3540	1.5008	1.5350	1.5134
Fixed Interest Fund					
At 30 June	1.0438	1.0988	1.0859	1.0297	1.0414
High during year	1.0847	1.1019	1.0867	1.0522	1.0775
Low during year	1.0233	1.0661	1.0256	1.0297	1.0485
Moderate Fund					
At 30 June	1.2052	1.1583	1.2003	1.1424	1.1353
High during year	1.2052	1.1906	1.2035	1.1634	1.1754
Low during year	1.1260	1.0959	1.1283	1.1332	1.1336
Growth Plus Fund*					
At 30 June	-	-	-	-	1.1586
High during year	-	-	-	-	1.2887
Low during year	-	-	-	-	1.1547
Fixed Term Fund					
At 20 June 2021 & 30 June for prior years	1.0000	1.0000	1.0000	1.0000	1.0000
High during year	1.0000	1.0000	1.0000	1.0000	1.0000
Low during year	1.0000	1.0000	1.0000	1.0000	1.0000

* The Growth Plus Fund terminated on 3 July 2017.

Review of operations (continued)

After-Distribution Exit Price Class B Funds	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Cash Fund					
At 30 June	1.0000	1.0000	1.0000	1.0000	1.0000
High during year	1.0000	1.0000	1.0000	1.0000	1.0000
Low during year	1.0000	1.0000	1.0000	1.0000	1.0000
Capital Stable Fund					
At 30 June	1.2715	1.2350	1.2775	1.2293	1.2139
High during year	1.2715	1.2557	1.2775	1.2468	1.2437
Low during year	1.2216	1.1934	1.2270	1.2127	1.2103
Balanced Fund					
At 30 June	1.5063	1.3629	1.4505	1.3660	1.3489
High during year	1.5063	1.4413	1.4575	1.4047	1.4070
Low during year	1.3411	1.2510	1.3283	1.3432	1.3274
Growth Fund					
At 30 June	1.7735	1.5409	1.6045	1.4867	1.4288
High during year	1.7735	1.6951	1.6187	1.5182	1.5105
Low during year	1.5214	1.3767	1.4114	1.4171	1.3864
Australian Equities Fund					
At 30 June	1.4164	1.2670	1.4927	1.4030	1.3357
High during year	1.4251	1.5389	1.5071	1.4467	1.4303
Low during year	1.1180	0.9822	1.2473	1.3204	1.2651
International Equities Fund					
At 30 June	2.0652	1.6584	1.8775	1.7009	1.6411
High during year	2.0699	1.8604	1.8980	1.8458	1.8745
Low during year	1.6003	1.4169	1.5818	1.6099	1.5916
Fixed Interest Fund					
At 30 June	1.1800	1.2423	1.2290	1.1639	1.1766
High during year	1.2262	1.2447	1.2298	1.1893	1.2186
Low during year	1.1567	1.2051	1.1594	1.1639	1.1852
Moderate Fund					
At 30 June	1.3538	1.2899	1.3398	1.2729	1.2637
High during year	1.3538	1.3259	1.3431	1.2969	1.3098
Low during year	1.2640	1.2205	1.2594	1.2618	1.2626
Fixed Term Fund					
At 30 June	1.0000	1.0000	1.0000	1.0000	1.0000
High during year	1.0000	1.0000	1.0000	1.0000	1.0000
Low during year	1.0000	1.0000	1.0000	1.0000	1.0000

Changes in state of affairs

On 20 June 2021, the Directors of the Responsible Entity terminated the Aware Investment Fund – Fixed Term Fund (ARSN 603 551 891) ("Fixed Term Fund"). Following the finalisation of these financial statements, the fund will commence wind up proceedings.

The Fixed Term Fund was a fixed term product provided by Deutsche Bank AG. Unit holders were able to invest in a 1, 2, 3, or 5-year term product which paid interest monthly. On wind up, all unit holders of the Fixed Term Fund received their invested principal and returns, being a final payment comprising:

- the face value of their interest in the Fixed Term Fund, and
- an amount that relates to the future interest income forfeited due to the winding up of the Fixed Term Fund (\$59,480 in total).

The Fixed Term Fund's net assets (being the value of the notes with Deutsche Bank AG) were fully distributed to all its unit holders on 21 June 2021. The final distribution or payment to unitholders were mostly in the form of unit holdings in Aware Investment Fund – Cash Fund (ARSN 090 078 443).

Except for the termination of the Fixed Term Fund, there were no other significant changes in the state of affairs of the Trust during the financial year.

Significant event

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The economic impacts of the response to the pandemic increased volatility in listed investment markets and increased uncertainty in the underlying assumptions applied in unlisted asset valuations.

The COVID-19 pandemic has created unprecedented uncertainty. Actual economic events and conditions in the future may materially differ from those estimated by the Funds at the reporting date. In the event that COVID-19 impacts are more severe or prolonged than anticipated, the future fair value of the Funds' investments may be adversely impacted. The Directors have assessed the events subsequent to year end up to the date of signing these financial statements and determined that no adjustments or additional disclosures are required.

Liquidity Risk during the market disruption has been managed in part by monitoring the ratio of illiquid assets in the Fund and modelling future cash flow expectations. These metrics have been impacted by market volatility, settlement of currency hedging losses and member switching into cash options. There has been no impact to the financial statements arising from changes in the Trust's liquidity profile which remains within tolerances outlined in our Risk Management Framework.

Operationally the Trust has had to invoke its business continuity plans and has changed its operating model to ensure the safety of staff and compliance with recommendations and regulatory policy requirements issued by government departments. Where local lockdowns have required office closures, the majority of employees in those locations have worked from home and the operations of the Fund have continued uninterrupted.

There have been no changes to the Trust's valuation accounting policies.

On behalf of the Directors



Director

16 September 2021

Subsequent Events

There has not been any matter or circumstance, and anything referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

Future developments

The Trust will continue to be managed in accordance with its investment objectives and guidelines as set out in the current Product Disclosure Statement and in accordance with the provisions of the Consolidated Constitution of the Trust. Future results will accordingly depend on the performance of the investment markets to which the Trust is exposed.

Insurance and indemnification

No insurance premiums are paid for out of the assets of the Trust in regard to insurance cover provided to either the Responsible Entity or the Auditor of the Trust. So long as the officers of the Responsible Entity act in accordance with the Consolidated Constitution of the Trust and the Law, the Responsible Entity remains fully indemnified out of the assets of the Trust against any losses incurred while acting on behalf of the Trust. The Auditor of the Trust is not indemnified out of the assets of the Trust.

Trust information in the financial statements

The value of the Trust's assets as at the end of the financial year is disclosed in the Statements of Financial Position as "Total Assets" and the basis of valuation is included in Note 2(a) to the financial statements.

Fees paid to the Responsible Entity out of the Trust property during the financial year are disclosed in Note 4(a) to the financial statements.

The Management Fee ratio for each Fund is disclosed in Note 4(d) to the financial statements.

The number of units in the Trust held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 7(d) to the financial statements.

Environmental regulation

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

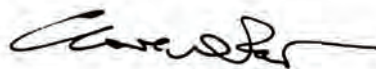
Rounding of amounts

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 23 March 2016, and accordingly, amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration is included on page 13 of the financial statements.

Signed in accordance with a resolution of the Board of Directors pursuant to s.298(2) of the *Corporations Act 2001*.



Director

16 September 2021

Auditor's independence declaration and independent auditor's report





Deloitte Touche Tohmatsu
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Board of Directors
Aware Financial Services Australia Limited
Level 28, 388 George Street
Sydney NSW 2000

16 September 2021

Dear Board Members

Auditor's Independence Declaration to Aware Financial Services Australia Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Board of Directors of Aware Financial Services Australia Limited ('company') regarding the financial report for Aware Investment Fund for which the company is the responsible entity.

As lead audit partner for the audit of the financial report of Aware Investment Fund for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Nick Rozario", with a stylized flourish at the end.

Nicholas Rozario
Partner
Chartered Accountant

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.



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Independent Auditor's Report to the Unitholders of Aware Investment Fund

Opinion

We have audited the financial report of Aware Investment Fund (the "Trust") which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

The Trust comprises the following nine individual registered schemes:

• Aware Investment Fund - Cash Fund	ARSN 090 078 443
• Aware Investment Fund - Capital Stable Fund	ARSN 090 078 961
• Aware Investment Fund - Balanced Fund	ARSN 090 077 991
• Aware Investment Fund - Growth Fund	ARSN 090 078 103
• Aware Investment Fund - Moderate Fund	ARSN 150 755 150
• Aware Investment Fund - Fixed Interest Fund	ARSN 150 755 249
• Aware Investment Fund - International Equities Fund	ARSN 150 755 294
• Aware Investment Fund - Australian Equities Fund	ARSN 150 755 196
• Aware Investment Fund - Fixed Term Fund	ARSN 603 551 891

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

- Giving a true and fair view of the Trust's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (*including Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Responsible Entity ('directors'), would be in the same terms if given to the directors as at the time of this auditor's report.

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

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Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Emphasis of Matter

We draw your attention to note 2 of the financial report, which states that the non-going concern basis has been adopted in the preparation of the financial report for the Fixed Term Fund. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report for the year ended 30 June 2021, 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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Trust 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 either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

As disclosed in note 2, the financial report of the Fixed Term Fund has been prepared on a non-going concern basis since the directors intend to commence winding up proceedings of the Fund.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



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

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read "Nicholas Rozario".

Nicholas Rozario

Partner

Chartered Accountants

Sydney, 16 September 2021

Financial statements



Statements of Comprehensive Income for the Financial Year ended 30 June 2021

		Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	Note	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Income											
Interest		-	-	-	-	-	-	-	-	-	-
Miscellaneous income		47	47	1	67	2	6	-	4	-	-
Distributions		71	624	6,721	7,456	18,944	10,464	7,019	3,939	373	629
Realised gains/(losses) on disposal of investments		-	-	1,949	10,369	3,991	24,816	2,561	17,696	(91)	2,759
Unrealised changes in the fair value of investments		-	-	7,458	(4,479)	46,897	(20,348)	21,339	(18,634)	4,615	(4,848)
Total income		118	671	16,129	13,413	69,834	14,938	30,919	3,005	4,897	(1,460)
Expenses											
Responsible Entity fee	4(a)	113	259	1,599	2,535	2,100	2,988	852	1,213	118	167
Miscellaneous Expense		-	-	-	93	-	-	-	-	-	-
Total expenses		113	259	1,599	2,628	2,100	2,988	852	1,213	118	167
Profit/(loss) attributable to unit holders		5	412	14,530	10,785	67,734	11,950	30,067	1,792	4,779	(1,627)
Finance costs attributable to unit holders											
Distributions to unit holders	3(b)	2	304	5,232	15,319	14,646	28,644	5,895	21,975	135	3,555
Fixed Term Interest payment to unit holders		-	-	-	-	-	-	-	-	-	-
Change in net assets attributable to unit holders		3	108	9,298	(4,534)	53,088	(16,694)	24,172	(20,183)	4,644	(5,182)
Net profit/(loss)		-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-	-

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes. The comprehensive income for each Fund comprises the total of the Class A and Class B units for each Fund.

Statements of Comprehensive Income for the Financial Year ended 30 June 2021 (continued)

Note	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term* Fund	
	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Income								
Interest	-	-	-	-	-	-	82	147
Miscellaneous income	-	1	-	1	2	21	-	-
Distributions	1,396	410	50	204	12,745	8,668	-	-
Realised gains/(losses) on disposal of investments	197	493	(105)	336	3,415	7,562	-	-
Unrealised changes in the fair value of investments	4,096	279	(197)	(102)	20,382	(815)	-	-
Total income	5,689	1,183	(252)	439	36,544	15,436	82	147
Expenses								
Responsible Entity fee 4(a)	89	118	19	43	1,905	2,258	9	24
Miscellaneous Expense	-	-	-	1	-	60	-	-
Total expenses	89	118	19	44	1,905	2,318	9	24
Profit/(loss) attributable to unit holders	5,600	1,065	(271)	395	34,639	13,118	73	123
Finance costs attributable to unit holders								
Distributions to unit holders 3(b)	1,364	1,168	35	275	9,189	12,282	-	-
Fixed Term Interest payment to unit holders	-	-	-	-	-	-	73	101
Change in net assets attributable to unit holders	4,236	(103)	(306)	120	25,450	836	-	22
Net profit/(loss)	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-

* Fixed Term Fund terminated on 20 June 2021

The above Statements of Comprehensive Income should be read in conjunction with the accompanying notes. The comprehensive income for each Fund comprises the total of the Class A and Class B units for each Fund.

Statements of Financial Position as at 30 June 2021

		Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	Note	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Assets											
Cash and cash equivalents	9(a)	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	8	54,863	63,315	384,905	386,207	586,515	470,362	202,488	163,928	23,739	21,047
Interest receivable		-	-	-	-	-	-	-	-	-	-
Distribution receivable		-	-	-	-	-	-	-	-	-	-
Other accounts receivable		6	3	18	28	26	32	11	14	1	2
Total assets		54,869	63,318	384,923	386,235	586,541	470,394	202,499	163,942	23,740	21,049
Liabilities											
Accounts payable and accrued expenses		13	131	505	424	(564)	217	122	76	11	11
Distribution payable	3(b)	-	30	3,673	12,299	12,645	25,912	5,323	21,181	-	3,118
Total liabilities (excluding liabilities attributable to unit holders)		13	161	4,178	12,723	12,081	26,129	5,445	21,257	11	3,129
Net assets attributable to unit holders	5(b)	54,856	63,157	380,745	373,512	574,460	444,265	197,054	142,685	23,729	17,920
Liabilities attributable to unit holders		(54,856)	(63,157)	(380,745)	(373,512)	(574,460)	(444,265)	(197,054)	(142,685)	(23,729)	(17,920)
Net assets		-	-	-	-	-	-	-	-	-	-

The above Statements of Financial Position should be read in conjunction with the accompanying notes. The financial position for each Fund comprises the total of the Class A and Class B units for each Fund.

Statements of Financial Position as at 30 June 2021 (continued)

		International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term* Fund	
	Note	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Assets									
Cash and cash equivalents	9(a)	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	8	21,735	16,691	4,003	6,903	517,213	400,354	-	2,265
Interest receivable		-	-	-	-	-	-	-	-
Distribution receivable		-	-	-	-	-	-	-	-
Other accounts receivable		1	1	-	-	24	31	-	1
Total assets		21,736	16,692	4,003	6,903	517,237	400,385	-	2,266
Liabilities									
Accounts payable and accrued expenses		9	8	1	11	533	207	-	1
Distribution payable	3(b)	1,332	1,099	-	174	7,457	9,372	-	-
Total liabilities (excluding liabilities attributable to unit holders)		1,341	1,107	1	185	7,990	9,579	-	1
Net assets attributable to unit holders	5(b)	20,395	15,585	4,002	6,718	509,247	390,806	-	2,265
Liabilities attributable to unit holders		(20,395)	(15,585)	(4,002)	(6,718)	(509,247)	(390,806)	-	(2,265)
Net assets		-	-	-	-	-	-	-	-

* Fixed Term Fund terminated on 20 June 2021

The above Statements of Financial Position should be read in conjunction with the accompanying notes. The financial position for each Fund comprises the total of the Class A and Class B units for each Fund.

Statements of Changes in Equity for the Financial Year ended 30 June 2021

The Funds have no equity and therefore there are no Statements of Changes in Equity.

Statements of Cash Flows for the Financial Year ended 30 June 2021

		Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	Note	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Cash flows from operating activities											
Interest received		-	-	-	-	-	-	-	-	-	-
Miscellaneous income		47	47	3	67	3	7	1	3	-	1
Distributions received		71	624	6,721	7,456	18,944	10,464	7,019	3,939	373	629
Responsible Entity fees paid		(241)	(188)	(1,992)	(2,559)	(2,255)	(3,285)	(904)	(1,346)	(126)	(185)
Miscellaneous expense		-	-	-	(93)	-	-	-	-	-	-
Reduced input tax credit received		9	20	118	193	149	225	60	92	8	13
Net cash flows generated by/(used in) operating activities	9(b)	(114)	503	4,850	5,064	16,841	7,411	6,176	2,688	255	458
Cash flows from investing activities											
Payments for purchase of investments		(107,257)	(233,738)	(184,956)	(1,038,131)	(375,450)	(1,426,308)	(166,375)	(515,701)	(2,439)	(52,271)
Receipts from sale of investments		115,783	240,751	195,934	1,023,538	310,351	1,375,726	151,740	507,434	4,272	54,581
Net cash flows generated by/(used in) investing activities		8,526	7,013	10,978	(14,593)	(65,099)	(50,582)	(14,635)	(8,267)	1,833	2,310
Cash flows from financing activities											
Proceeds from applications by unit holders		380,785	493,985	110,192	148,754	127,421	124,340	39,153	33,136	2,207	3,627
Payments for redemptions by unit holders		(389,196)	(501,487)	(125,667)	(138,811)	(78,048)	(80,014)	(30,215)	(27,421)	(4,192)	(6,355)
Distribution paid		(1)	(14)	(353)	(414)	(1,115)	(1,155)	(479)	(136)	(103)	(40)
Net cash flows generated by/(used in) financing activities		(8,412)	(7,516)	(15,828)	9,529	48,258	43,171	8,459	5,579	(2,088)	(2,768)
Net increase/(decrease) in cash and cash equivalents		-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the financial year		-	-	-	-	-	-	-	-	-	-
Cash and cash equivalents at the end of the financial year	9(a)	-	-	-	-	-	-	-	-	-	-

The above Statements of Cash Flows should be read in conjunction with the accompanying notes. The cash flows for each Fund comprise the total of the Class A and Class B units for each Fund.

Statements of Cash Flows for the Financial Year ended 30 June 2021 (continued)

Note	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term* Fund	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities								
Interest received	-	-	-	-	-	-	82	147
Miscellaneous income	-	1	-	1	6	18	-	7
Distributions received	1,396	410	50	204	12,745	8,668	-	-
Responsible Entity fees paid	(94)	(131)	(31)	(38)	(2,057)	(2,424)	(10)	(33)
Miscellaneous expense	-	-	-	(1)	-	(60)	-	-
Reduced input tax credit received	6	9	2	3	134	167	1	2
Net cash flows generated by/(used in) operating activities	1,308	289	21	169	10,828	6,369	73	123
Cash flows from investing activities								
Payments for purchase of investments	(3,647)	(38,362)	(8,963)	(21,270)	(338,714)	(1,066,546)	2,265	2,440
Receipts from sale of investments	2,895	40,165	11,563	21,318	245,879	994,812	-	-
Net cash flows generated by/(used in) investing activities	(752)	1,803	2,600	48	(92,835)	(71,734)	2,265	2,440
Cash flows from financing activities								
Proceeds from applications by unit holders	2,387	2,603	1,659	5,545	162,456	146,980	250	503
Payments for redemptions by unit holders	(2,909)	(4,609)	(4,274)	(5,754)	(80,107)	(81,007)	(2,515)	(2,965)
Distribution paid	(34)	(86)	(6)	(8)	(342)	(608)	(73)	(101)
Net cash flows generated by/(used in) financing activities	(556)	(2,092)	(2,621)	(217)	82,007	65,365	(2,338)	(2,563)
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-
Cash and cash equivalents at the beginning of the financial year	-	-	-	-	-	-	-	-
Cash and cash equivalents at the end of the financial year	-	-	-	-	-	-	-	-

* Fixed Term Fund terminated on 20 June 2021

The above Statements of Cash Flows should be read in conjunction with the accompanying notes. The cash flows for each Fund comprise the total of the Class A and Class B units for each Fund.

Notes to the financial statements for the financial year ended 30 June 2021

1. The Trust

The Aware Investment Fund ('the Trust') was established 22 November 1991.

The Trust offered nine registered managed investment schemes 'the Funds' during the current year. Of these, the Fixed Term Fund was terminated on 20 June 2021. Each Fund has a separate investment strategy, and the assets of each Fund are managed by external specialist investment managers through a series of discrete investment trusts. The Trust's PDS sets out details of the investment process.

The Responsible Entity for the nine Funds comprising the Trust is Aware Financial Services Australia Limited (ABN 86 003 742 756).

The Funds	Class A	Class B
	Effective Date	Effective Date
Aware Investment Fund – Cash Fund	22-Nov-1991	2-Apr-2013
Aware Investment Fund – Capital Stable Fund	22-Nov-1991	2-Apr-2013
Aware Investment Fund – Balanced Fund	22-Nov-1991	2-Apr-2013
Aware Investment Fund – Growth Fund	15-Jun-1997	2-Apr-2013
Aware Investment Fund – Australian Equities Fund	18-Jul-2011	2-Apr-2013
Aware Investment Fund – International Equities Fund	18-Jul-2011	2-Apr-2013
Aware Investment Fund – Fixed Interest Fund	18-Jul-2011	2-Apr-2013
Aware Investment Fund – Moderate Fund	18-Jul-2011	2-Apr-2013
Aware Investment Fund – Fixed Term Fund*	20-Jan-2015	20-Jan-2015

* Fixed Term Fund terminated on 20 June 2021

Asset Migration Restructuring in December 2019

To give effect to the investment objectives of the nine Funds of the Trust, the Responsible Entity had originally established similarly named Feeder Funds (with the exception of Fixed Term Fund), into which the respective Funds invested. The Feeder Funds then invested into one or more Sector Trusts, each taking on the name of the asset class into which it invested. The Fixed Term Fund invested directly in assets.

On 7 December 2019 as part of the rationalisation of the investment structure with the Aware Super Group, a stand-alone investment structure was created for the Aware Investment Funds. The Feeder Funds were collapsed, with the Aware Investment Fund investing directly into the Sector Trusts from that date. As part of this rationalisation, all Feeder Funds and six Sector Trusts were terminated, and four new Sector Trusts established.

The restructure resulted in redemption of Feeder Fund units and purchase of Sector Trust units and was effected through a non-cash transaction. The post asset migration investment structure applied for the period from restructure until 30 June 2020, and for the financial year ended 30 June 2021.

The Directors of the Responsible Entity approved the winding up of the Fixed Term Fund which closed on 20 June 2021.

For more information regarding Head and Sector trusts, refer to note 10(a) financial risk management.

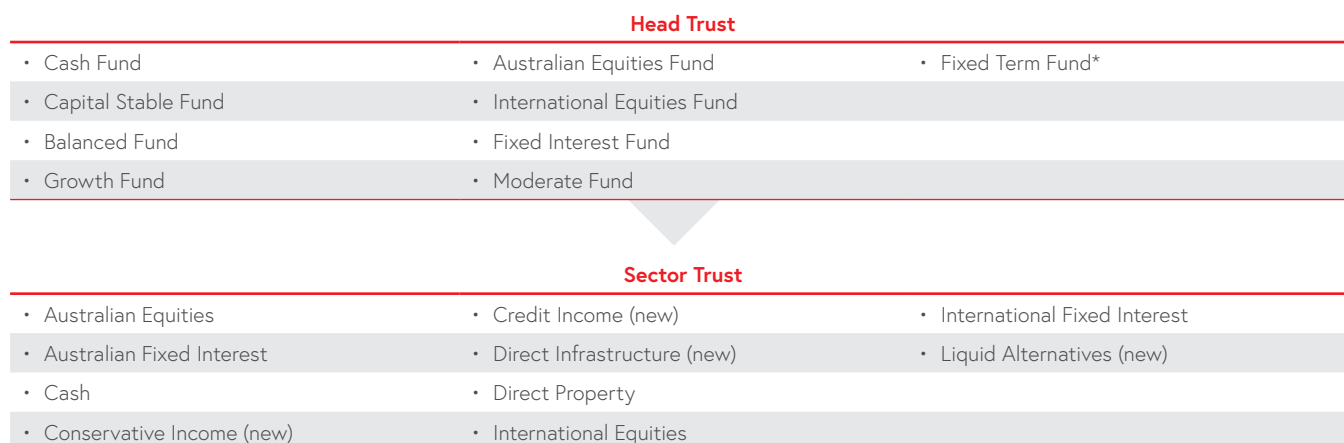
Before Asset Migration Structuring (before 7 December 2019)



* The Fixed Term Fund invests directly into fixed interest securities.

The Trustee of the Feeder Funds and Sector Trusts is Aware Financial Services Australia Limited.

Post Asset Migration Structuring (from 7 December 2019)



* The Fixed Term Fund invests directly into fixed interest securities.

2. Summary of Accounting Policies

Basis of preparation

The financial statements are a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and comply with other requirements of the law.

For the purposes of preparing the financial statements, the Trusts are for-profit entities.

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial assets. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian Dollars, unless otherwise indicated.

The principal accounting policies applied in the preparation of these financial statements are set out below. Unless otherwise stated, these policies are consistent with those applied in the previous year.

Statement of compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes thereto comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Consequently, the financial statements are compliant with IFRS.

The financial statements were authorised for issue by the Directors of the Responsible Entity on 16 September 2021.

Going concern

On 20 June 2021, the Directors of the Responsible Entity terminated the Fixed Term Fund. Following finalisation of these financial statements, the fund will commence winding up proceedings. Therefore, the financial statements of the Fixed Term Fund are prepared on a non-going concern basis. The Fixed Term Fund's net assets were fully distributed to all its unit holders on 21 June 2021.

Aside from the abovementioned Fixed Term Fund, the financial statements are prepared on the going concern basis.

Significant event

COVID-19 was declared a pandemic by the World Health Organisation on 11 March 2020. The economic impacts of the response to the pandemic increased volatility in listed investment markets and increased uncertainty in the underlying assumptions applied in unlisted asset valuations.

These changes in market conditions have been reflected in the financial statements according to the valuation policies and methodologies outlined in Note 2. There have been no changes to the Trust's valuation accounting policies.

To the extent that the market disruption as a result of COVID-19 required the use of judgements and estimates when considering the impact of market risk on asset valuations, these have been articulated in Note 2 and Note 10.

Liquidity Risk during the market disruption has been managed in part by monitoring the ratio of illiquid assets in the Fund and modelling future cash flow expectations. These metrics have been impacted by market volatility, settlement of currency hedging losses and member switching into cash options. There has been no impact to the financial statements arising from changes in the Fund's liquidity profile which remains within tolerances outlined in our Risk Management Framework. The liquidity risk management is further outlined in Note 10.

Operationally the Fund has had to invoke its business continuity plans and has changed its operating model to ensure the safety of staff and compliance with recommendations and regulatory policy requirements issued by government departments. Where local lockdowns have required office closures, the majority of employees in those locations have worked from home and the operations of the Fund have continued uninterrupted.

Use of judgment and estimates

In the application of the Trust's accounting policy, judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources are made. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making these judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements including Note 10 which confirms details of judgements and estimates in the valuation and classification of financial instruments.

Adoption of new and revised Accounting Standards

The Funds have adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and effective for annual reporting periods beginning on 1 July 2020.

The adoption of these new and revised Standards and Interpretations has not resulted in any changes to the Trust's accounting policies or affected the amounts reported for the current or prior years.

The following new and revised Standards and Interpretations have been adopted in these financial statements:

Revised Australian Accounting Standards Board Conceptual Framework for Financial Reporting (AASB 2019-1)

The revised Australian Accounting Standards Board (AASB) Conceptual Framework (AASB Framework) was effective for the Fund's annual financial reporting period beginning on 1 July 2020. The AASB Framework provides the AASB with a base of consistent concepts upon which future accounting standards will be developed. The AASB Framework will also assist financial report preparers to develop consistent accounting policies when there is no specific or similar standard that addresses an issue. The AASB Framework includes amendments to the definition and recognition criteria for assets, liabilities, income and expenses, guidance on measurement and derecognition, and other relevant financial reporting concepts.

The application of the AASB Framework did not have a material impact on the Trust's financial statements as at June 2021.

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

The amendment reforms major interest rate benchmarks, transitioning from inter-bank offered rates (IBOR) to alternative reference rates (ARRs) impacting holders of existing IBOR-linked contracts switching to ARRs.

The Trust only holds units in Sector trusts and is not a party to these types of contracts.

Amendments to Definition of a Business (AASB 2018-6)

The Standard amends the definition of a business in AASB 3 Business Combinations. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

This amended definition had no impact on the accounting outcome of acquisitions or disposals by the Trust.

Amendments to Definition of Material (AASB 2018-7)

The Standard amends the definition of a material in AASB101. The Trust has adopted these amendments in the current year. The amendments make the definition easier to understand and are not intended to alter the underlying concept of materiality in Australian Accounting Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in AASB 108 has been replaced by a reference to the definition of material in AASB 101. In addition, the Standard also amends other Australian Accounting Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

These amendments are applied prospectively. The Trust has since applied this concept of materiality in its assessment of whether the information, either individually or in combination with other information, is material in the context of the financial statements.

COVID-19 Related Rent Concessions (AASB 2020-4)

As a result of the coronavirus (COVID-19) pandemic, rent concessions have been granted to lessees. The AASB made an amendment that provides an optional practical expedient where lessees benefiting from these rent concessions may account for them as variable lease payments in the periods in which they are granted.

The concession is not applicable for the Trust as it does not have any operating or finance leases at 30 June 2021, for these COVID-19 related rent concessions to apply.

Other amendments made to existing standards

Other amendments that were mandatorily effective for the annual reporting period beginning on 1 July 2020 did not result in a material impact on the Trust's financial statements.

Accounting standards issued but not yet adopted

At the date of authorisation of the financial statements, certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period and have not been early adopted by the Fund.

The Directors anticipate that there are no Standards and Interpretations which are expected to be relevant to the Funds.

2. Summary of Accounting Policies (continued)

Significant accounting policies

The significant accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2021 and the comparative information presented in these financial statements.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Valuation of financial assets at fair value

To give effect to the investment objectives of the Cash, Fixed Interest, Capital Stable, Moderate, Balanced, Growth, Australian Equities, International Equities and Fixed Term Funds of the Trust, the Funds in-turn invest in Sector Trusts.

The Funds recognise their investment in Sector Trusts at fair value through profit and loss. Unit prices of the unit trusts reflect the fair value of the underlying assets of the Sector Trusts.

The fair value of the investments is determined, as follows:

- unlisted unit trusts are recorded at fund managers' valuation (i.e. unit price)
- for the Fixed Term options investments, these are stated at the trustee's valuation based on the advice of the Funds' investment managers at reporting date.

For more information on the change to the investment structure that occurred on 7 December 2019, refer to Note 1.

(b) Accounting for financial assets at fair value

Investment transactions are recorded on a trade date basis. The investments are stated at fair value, with any unrealised gains or losses on re-measurement recognised in profit or loss. Fair value is determined in the manner described in Note 10(l). On disposal, proceeds are set against the carrying value and the resulting realised gain or loss is included in the Statements of Comprehensive Income.

(c) Investment income

Distribution income is recognised on a receivable basis as of the date the unit value is quoted ex-distribution.

Interest revenue is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

Gains or losses arising from changes in the fair values of financial instruments are included in the Statement of Comprehensive Income in the period in which they arise.

(d) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

(e) Income tax

Under current income tax legislation, the Funds are not liable to pay income tax as the net income of the Funds is assessable in the hands of the beneficiaries (the unit holders) who are 'presently entitled' to the income of the Funds. There is no income of the Funds to which the unit holders are not presently entitled and additionally, the Consolidated Constitution of the Trust requires the distribution of the full amount of the net income of the Funds to the unit holders each period.

As a result, deferred taxes have not been recognised in the financial statements in relation to differences between the carrying amounts of assets and liabilities and their respective tax bases, including taxes on capital gains which could arise in the event of a sale of investments for the amount at which they are stated in the financial statements. In the event that taxable gains are realised by the Funds, these gains would be included in the taxable income that is assessable in the hands of the unit holders as noted above.

Realised capital losses are not distributed to unit holders but are retained within the Sector Trusts to be offset against any realised capital gains. The benefit of any carried forward capital losses is also not recognised in the financial statements. If in any period realised capital gains exceed realised capital losses, including those carried forward from earlier periods and eligible for offset, the excess is included in taxable income that is assessable in the hands of unit holders in the period and is distributed to unit holders in accordance with the requirements of the Consolidated Constitution of the Trust.

(f) Distributions and Interest Payment

In accordance with the Consolidated Constitution of the Trust, the Funds fully distribute their distributable income to unit holders by cash or reinvestment in the Fund.

The Cash, Fixed Interest, Capital Stable, Moderate, and Balanced Funds distribute income to unit holders on a quarterly basis. Distributable income of the Growth, Australian Equities, and International Equities Funds is distributed to unitholders half yearly. Fixed Term funds pay coupon income to unit holders on a monthly basis.

Distributions and Fixed Term Interest payments are recognised in the Statements of Comprehensive Income as finance costs attributable to unit holders. The distribution amount payable to investors as at the reporting date is recognised separately on the Statements of Financial Position as unit holders are presently entitled to the distributable income as at 30 June 2021.

The difference in the distribution to Class A and Class B unitholders is determined by the different fees paid by each class.

(g) Increase/decrease in net assets attributable to unit holders

Non-distributable income is transferred directly to net assets attributable to unit holders and may consist of unrealised changes in the fair value of financial instruments at fair value through profit and loss, accrued income not yet assessable, expenses provided or accrued for which are not yet deductible, net capital losses and tax free or tax deferred income. Net capital gains on the realisation of any financial instruments at fair value through profit or loss (including any adjustments for tax deferred income previously taken directly to net assets attributable to unit holders) and accrued income not yet assessable will be included in the determination of distributable income in the same year which it becomes assessable for tax.

(h) Accounts payable and accrued expenses

Accounts payable and accrued expenses are recognised when the Funds become obliged to make future payments resulting from the purchase of goods and services. Payables are measured at their nominal values.

(i) Financial liabilities issued by the Funds

In accordance with AASB 132 *Financial Instruments-Presentation*, unit holders funds are classified as a financial liability and disclosed as such in the Statements of Financial Position. Hence, the Funds have no equity as disclosed in the Statements of Changes in Equity.

(j) Goods and Services Tax (GST)

GST is usually incurred on the costs of various services provided to and paid by each Fund. The current rate of GST is 10%. Each Fund is eligible to claim a Reduced Input Tax Credit ('RITC') at the rate of 70.43% of the GST incurred on these services.

In the Statements of Comprehensive Income, fees and expenses have been recognised inclusive of the GST paid less the RITC claimed from the Australian Taxation Office ('ATO'). In the Statements of Financial Position, creditors and accruals are shown inclusive of GST payable, while the amount of the RITC recoverable from the ATO is included in sundry debtors. Cash flows relating to GST are included in the Statements of Cash Flows on a gross basis.

(k) Applications and redemptions

Applications received for units in each Fund are recorded at the unit price on issue for units in the Fund. All Funds are open to additional investments.

Redemptions from each Fund are recorded at the unit price on issue for units in the Fund. The proceeds of redemption from a Fund may be applied to the acquisition of units in another Fund.

Unit prices are determined as the net asset value of the Fund divided by the number of units on issue.

(l) Unit Prices

Unit prices are determined in accordance with the Trusts' Constitution and are calculated as the net assets attributable to unitholders, divided by the number of units on issue. Financial assets and liabilities are held for trading for unit pricing purposes are valued on a "last sale" price basis.

(m) Rounding off of amounts

The Trust is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 23 March 2016, and accordingly, amounts in the Financial Statements have been rounded to the nearest thousand dollars, unless otherwise indicated.

(n) The Trust financial statements reported in a single report

The Responsible Entity for the Trust is Aware Financial Services Australia Limited (ABN 86 003 742 756). As such, the Trust is of a kind referred to in ASIC Corporations (*Related Scheme Reports*) Instrument 2015/839 which allows the financial statements of each Fund in the Trust to be reported using a single document. The financial statements and notes thereon have been prepared under ASIC Corporations (*Related Scheme Reports*) Instrument 2015/839.

3. Distributions

(a) Distributions of income

Details of the distributions paid or payable to unit holders during the year ended 30 June 2021 and 30 June 2020 were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund	
	Class A c/unit	Class B c/unit	Class A c/unit	Class B c/unit	Class A c/unit	Class B c/unit	Class A c/unit	Class B c/unit
Quarter ended FY 2021								
30-Sep-20	0.00	0.001	0.05	0.05	0.03	0.03	0.00	0.00
31-Dec-20	0.01	0.004	0.21	0.28	0.40	0.41	0.37	0.55
31-Mar-21	0.00	0.000	0.19	0.22	0.13	0.14	0.00	0.00
30-Jun-21	0.00	0.000	1.22	1.12	3.37	3.26	3.66	4.39
Total	0.01	0.005	1.67	1.67	3.93	3.84	4.03	4.94
Quarter ended FY 2020								
30-Sep-19	0.14	0.27	0.00	0.22	0.00	0.00	0.00	0.00
31-Dec-19	0.10	0.21	0.83	1.00	0.72	1.06	0.53	1.06
31-Mar-20	0.24	0.24	0.00	0.00	0.00	0.00	0.00	0.00
30-Jun-20	0.06	0.06	5.68	1.31	12.84	2.28	27.74	2.20
Total	0.54	0.78	6.51	2.53	13.56	3.34	28.27	3.26

	Australian Equities Fund		International Equities Fund		Fixed Interest Fund		Moderate Fund	
	Class A c/unit	Class B c/unit	Class A c/unit	Class B c/unit	Class A c/unit	Class B c/unit	Class A c/unit	Class B c/unit
Quarter ended FY 2021								
30-Sep-20	0.00	0.00	0.00	0.00	0.08	0.09	0.02	0.02
31-Dec-20	0.67	0.81	0.28	0.32	0.15	0.17	0.25	0.29
31-Mar-21	0.00	0.00	0.00	0.00	0.54	0.64	0.18	0.20
30-Jun-21	0.00	0.00	12.77	12.98	0.00	0.00	1.69	2.06
Total	0.67	0.81	13.05	13.30	0.77	0.90	2.14	2.57
Quarter ended FY 2020								
30-Sep-19	0.00	0.00	0.00	0.00	0.32	0.56	0.00	0.16
31-Dec-19	2.28	2.93	0.35	0.96	1.16	1.45	0.81	1.10
31-Mar-20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30-Jun-20	25.17	14.19	17.21	6.01	2.82	3.23	3.24	2.60
Total	27.45	17.12	17.56	6.97	4.30	5.24	4.05	3.86

The Fixed Term Fund does not distribute income.

(b) Distributions Paid and Payable

Details of the distributions paid or payable to unit holders during the year ended 30 June 2021 and 30 June 2020 were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund	
	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000
Quarter ended FY 2021								
Sep 20 Distribution Paid	-	-	92	68	54	46	-	-
Dec 20 Distribution Paid	1	1	384	382	740	674	331	242
Mar 21 Distribution Paid	-	-	349	284	245	242	-	-
Jun 21 Distribution Payable	-	-	2,141	1,532	6,449	6,196	3,017	2,305
Total	1	1	2,966	2,266	7,488	7,158	3,348	2,547
Quarter ended FY 2020								
Sep 19 Distribution Paid	50	47	-	245	-	-	-	-
Dec 19 Distribution Paid	36	34	1,605	1,170	1,280	1,452	388	407
Mar 20 Distribution Paid	71	36	-	-	-	-	-	-
Jun 20 Distribution Payable	18	12	10,610	1,689	22,454	3,458	20,306	874
Total	175	129	12,215	3,104	23,734	4,910	20,694	1,281

	Australian Equities Fund		International Equities Fund		Fixed Interest Fund		Moderate Fund	
	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000
Quarter ended FY 2021								
Sep 20 Distribution Paid	-	-	-	-	2	2	26	31
Dec 20 Distribution Paid	50	85	13	19	4	4	436	532
Mar 21 Distribution Paid	-	-	-	-	11	12	312	395
Jun 21 Distribution Payable	-	-	540	792	-	-	3,067	4,390
Total	50	85	553	811	17	18	3,841	5,348
Quarter ended FY 2020								
Sep 19 Distribution Paid	-	-	-	-	12	13	-	195
Dec 19 Distribution Paid	146	291	15	54	38	38	1,259	1,456
Mar 20 Distribution Paid	-	-	-	-	-	-	-	-
Jun 20 Distribution Payable	1,747	1,371	765	334	84	90	5,219	4,153
Total	1,893	1,662	780	388	134	141	6,478	5,804

4. Expenses

(a) Responsible Entity's fee

Fees charged by the Responsible Entity Aware Financial Services Australia Limited (ABN 86 003 742 756) for performing its respective obligations are calculated daily as a rate per annum of the net asset value of each Fund and paid monthly from each Fund. The Trusts' Constitution permit the Responsible Entity to charge a fee of up to 1.5% per annum of the net asset value of each Fund. For the years ended 30 June 2020 and 30 June 2021, the Responsible Entity fees charged were lower than the maximum fee permitted.

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.
2021										
Responsible Entity Fee (excl GST)	0.2678	0.1514	0.4443	0.3647	0.3779	0.3326	0.4656	0.3691	0.5392	0.4517
Add GST	0.0268	0.0151	0.0444	0.0365	0.0378	0.0333	0.0466	0.0369	0.0539	0.0452
Less RITC	(0.0189)	(0.0107)	(0.0313)	(0.0257)	(0.0266)	(0.0234)	(0.0328)	(0.0260)	(0.0380)	(0.0318)
Net Charge to the Funds	0.2757	0.1558	0.4574	0.3755	0.3891	0.3425	0.4794	0.3800	0.5551	0.4651
2020										
Responsible Entity Fee (excl GST)	0.5875	0.1995	0.8499	0.4044	0.8624	0.4159	1.0756	0.5001	1.2230	0.7134
Add GST	0.0588	0.0200	0.0850	0.0404	0.0862	0.0416	0.1076	0.0500	0.1223	0.0713
Less RITC	(0.0414)	(0.0141)	(0.0599)	(0.0285)	(0.0607)	(0.0293)	(0.0758)	(0.0352)	(0.0861)	(0.0502)
Net Charge to the Funds	0.6049	0.2054	0.8750	0.4163	0.8879	0.4282	1.1074	0.5149	1.2592	0.7345

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.	Class A % p.a.	Class B % p.a.
2021								
Responsible Entity Fee (excl GST)	0.4557	0.4013	0.4862	0.4585	0.3833	0.3481	-	-
Add GST	0.0456	0.0401	0.0486	0.0459	0.0383	0.0348	-	-
Less RITC	(0.0321)	(0.0283)	(0.0342)	(0.0323)	(0.0270)	(0.0245)	-	-
Net Charge to the Funds	0.4692	0.4131	0.5006	0.4721	0.3946	0.3584	-	-
2020								
Responsible Entity Fee (excl GST)	0.9921	0.5560	0.8691	0.3637	0.7613	0.3807	1.2818	0.6738
Add GST	0.0992	0.0556	0.0869	0.0364	0.0761	0.0381	0.1282	0.0674
Less RITC	(0.0699)	(0.0392)	(0.0612)	(0.0256)	(0.0536)	(0.0268)	(0.0903)	(0.0475)
Net Charge to the Funds	1.0214	0.5724	0.8948	0.3745	0.7838	0.3920	1.3197	0.6937

(a) Responsible Entity's fee (continued)

Details of the fees paid to the Trustee during the year were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000
2021										
Responsible Entity Fee (excl GST)	61	48	914	638	1,077	963	481	346	43	71
Add GST	6	5	91	64	108	96	48	35	4	7
Less RITC	(4)	(3)	(64)	(45)	(76)	(68)	(34)	(24)	(3)	(5)
Total Expense	63	50	941	657	1,109	991	495	357	44	73

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000
2021								
Responsible Entity Fee (excl GST)	35	51	9	9	842	1,008	5	3
Add GST	4	5	1	1	84	101	1	0
Less RITC	(2)	(4)	(1)	(1)	(59)	(71)	-	-
Total Expense	37	52	9	9	867	1,038	6	3

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000
2020										
Responsible Entity Fee (excl GST)	189	62	1,816	647	2,038	865	868	310	83	80
Add GST	19	6	182	65	204	87	87	31	8	8
Less RITC	(13)	(4)	(128)	(46)	(144)	(61)	(61)	(22)	(6)	(6)
Total Expense	195	64	1,870	666	2,098	891	894	319	85	82

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000	Class A \$'000	Class B \$'000
2020								
Responsible Entity Fee (excl GST)	65	51	28	13	1,410	783	16	7
Add GST	6	5	3	1	141	78	2	1
Less RITC	(5)	(4)	(2)	(1)	(99)	(55)	(1)	-
Total Expense	66	52	29	13	1,452	806	17	8

4. Expenses (continued)

(b) Investment manager fees

External investment managers provide investment management services directly to the Sector Trusts and accordingly investment manager fees are paid to the investment managers out of the assets of the underlying Sector Trusts. These fees are included in the management fee of the relevant Fund, as shown in Note 4(d).

(c) Custody fee

The Custodian of the Cash, Fixed Interest, Capital Stable, Moderate, Balanced, Growth, Australian Equities, International Equities and Fixed Term Funds receives a fee for safe custody services. Custody fees are paid to the custodian out of the assets of the underlying Sector Trusts and are included in the management fee of the relevant Fund, as shown in Note 4(d).

(d) Management fee

The management fee for each Fund is the expression of the fees and charges of a Fund as a percentage of the net asset value of the Fund. It is calculated as the aggregate of the total amounts paid to the Responsible Entity, the Custodian and some of the other expenses payable either directly or indirectly by the Fund including the investment management fees paid to the external investment managers, expressed as a percentage of the average net asset value of each Fund. The management fee is shown as part of the Responsible Entity fee at Note 4(a).

Class A	2021 %	2020 From 1 Dec 19 %	2020 5 months to 30 Nov 19 %
Cash Fund	0.24	0.24	0.99
Fixed Interest Fund	0.40	0.40	1.15
Capital Stable Fund	0.55	0.55	1.30
Moderate Fund	0.60	0.60	1.35
Balanced Fund	0.65	0.65	1.40
Growth Fund	0.75	0.75	1.50
Australian Equities Fund	0.75	0.75	1.50
International Equities Fund	0.75	0.75	1.50
Fixed Term Fund	0.40	0.40	1.15

Class B	2021 %	2020 From 1 Dec 19 %	2020 5 months to 30 Nov 19 %
Cash Fund	0.24	0.24	0.39
Fixed Interest Fund	0.40	0.40	0.50
Capital Stable Fund	0.55	0.55	0.57
Moderate Fund	0.60	0.60	0.61
Balanced Fund	0.65	0.65	0.70
Growth Fund	0.75	0.75	0.77
Australian Equities Fund	0.75	0.75	0.77
International Equities Fund	0.75	0.75	0.77
Fixed Term Fund	0.40	0.40	0.50



(e) Reimbursement of Operating expenses

Under the Consolidated Constitution of the Trust, certain administrative, legal, and other expenses directly related to the operations of the Trust which have been incurred and paid by the Responsible Entity on behalf of the Trust, are subject to reimbursement from the Trust.

The Responsible Entity has the right of reimbursement from the Trust for all of the expenses incurred by it on behalf of the Trust, but currently does not exercise this right.

(f) Remuneration of Auditors

The Trust's auditor is Deloitte Touche Tohmatsu. During the financial year, the following fees (shown exclusive of GST) were paid to Deloitte Touche Tohmatsu by the Responsible Entity from its own resources in connection with the Trust.

	2021 \$	2020 \$
Audit fees – Deloitte Touche Tohmatsu	136,000	148,000
Total Auditor's Remuneration	136,000	148,000

The compliance plan audit fee with Deloitte Touche Tohmatsu was \$30,000 (2020: \$30,000) which was borne by the responsible entity, Aware Financial Services Australia Limited.

There were no other non-audit services provided during the financial year by Deloitte Touche Tohmatsu.

5. Net assets attributable to unit holders

(a) Number of units attributable to unit holders

Movements in the number of units on issue during the year were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
Investment Fund – Class A	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units
Units on issue at the beginning of the financial year	32,398,843	43,612,920	186,866,979	187,273,706	174,821,000	163,673,600	73,191,334	72,426,074	6,939,847	6,842,503
Units issued during the year	22,025,384	94,291,929	26,914,593	44,225,227	24,850,535	28,821,919	8,514,642	10,205,580	229,771	1,521,978
Units redeemed during the year	(31,562,365)	(105,767,465)	(47,964,218)	(53,069,833)	(25,645,187)	(28,467,299)	(18,014,367)	(11,165,103)	(2,388,525)	(1,786,394)
Units issued upon reinvestment of distributions	19,524	261,459	9,885,972	8,437,879	17,078,365	10,792,780	18,862,415	1,724,783	1,853,601	361,760
Units on issue at the end of the financial year	22,881,386	32,398,843	175,703,326	186,866,979	191,104,713	174,821,000	82,554,024	73,191,334	6,634,694	6,939,847

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term* Fund	
Investment Fund – Class A	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units
Units on issue at the beginning of the financial year	4,442,566	4,267,312	2,984,458	3,710,720	161,241,364	142,723,824	1,522,343	2,891,041
Units issued during the year	345,420	837,704	487,426	2,700,622	38,007,291	41,120,616	249,982	96,000
Units redeemed during the year	(1,091,109)	(1,298,847)	(1,697,375)	(3,499,168)	(23,252,772)	(29,805,855)	(1,772,325)	(1,464,698)
Units issued upon reinvestment of distributions	536,015	636,397	92,986	72,284	5,133,311	7,202,779	-	-
Units on issue at the end of the financial year	4,232,892	4,442,566	1,867,495	2,984,458	181,129,194	161,241,364	-	1,522,343

* Fixed Term Fund was terminated on 20 June 2021.

As stipulated within the Consolidated Constitution of the Trust, each unit confers on its holder an equal interest in the net assets of the Fund to which the unit relates. This interest does not extend to an interest to the underlying assets in each Fund.

(a) Number of units attributable to unit holders (continued)

Movements in the number of units on issue during the year were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
Investment Fund – Class B	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units
Units on issue at the beginning of the financial year	30,882,217	26,534,413	128,818,787	107,175,198	151,760,557	112,460,360	39,757,637	34,544,742	9,659,191	10,599,355
Units issued during the year	358,221,369	398,812,403	62,284,521	75,867,559	65,333,532	59,304,320	17,780,298	11,958,166	1,534,670	1,426,510
Units redeemed during the year	(357,134,845)	(394,655,589)	(55,666,073)	(59,523,427)	(30,091,055)	(28,006,323)	(5,763,965)	(7,744,370)	(1,347,988)	(3,008,906)
Units issued upon reinvestment of distributions	12,204	190,990	1,923,929	5,299,457	3,092,281	8,002,200	689,664	999,099	1,237,471	642,232
Units on issue at the end of the financial year	31,980,945	30,882,217	137,361,164	128,818,787	190,095,315	151,760,557	52,463,634	39,757,637	11,083,344	9,659,191

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term* Fund	
Investment Fund – Class B	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units	2021 units	2020 units
Units on issue at the beginning of the financial year	5,557,961	5,397,538	2,781,523	2,183,026	159,502,203	112,426,589	992,300	1,835,579
Units issued during the year	1,021,152	794,626	905,225	2,032,854	90,037,086	76,530,392	-	406,500
Units redeemed during the year	(686,620)	(1,542,474)	(2,034,106)	(1,491,924)	(40,601,753)	(35,860,683)	(992,300)	(1,249,779)
Units issued upon reinvestment of distributions	209,205	908,271	85,995	57,567	3,898,262	6,405,905	-	-
Units on issue at the end of the financial year	6,101,698	5,557,961	1,738,637	2,781,523	212,835,798	159,502,203	-	992,300

* Fixed Term Fund was terminated on 20 June 2021.

As stipulated within the Consolidated Constitution of the Trust, each unit confers on its holder an equal interest in the net assets of the Fund to which the unit relates. This interest does not extend to an interest to the underlying assets in each Fund.

5. Net assets attributable to unit holders (continued)

(b) Value of units attributable to unit holders

Movements in the value of units on issue during the year were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
Investment Fund – Class A	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders at beginning of the year	32,307	43,609	213,634	220,322	236,345	237,086	80,779	99,054	6,738	9,242
Non Distributable Income (Prior Year)	(89)	(74)	(678)	(6,700)	(2,194)	(19,252)	12,690	(6,598)	1,027	(1,408)
Value of units on issue at beginning of the year	32,218	43,535	212,956	213,622	234,151	217,834	93,469	92,456	7,765	7,834
Applications for the year	22,465	94,866	32,057	53,620	35,203	42,313	9,824	14,091	242	1,828
Redemptions for the year	(31,913)	(106,444)	(56,034)	(64,228)	(35,877)	(41,655)	(20,997)	(15,451)	(2,539)	(2,388)
Value of units issued upon reinvestment of distributions	20	261	11,141	9,942	22,601	15,659	20,211	2,372	1,748	491
Movement in value of units on issue during the year	(9,428)	(11,317)	(12,836)	(666)	21,927	16,317	9,038	1,012	(549)	(69)
Non Distributable Income (Current Year)	88	89	5,624	678	28,910	2,194	872	(12,689)	688	(1,027)
Net Assets attributable to unit holders	22,878	32,307	205,744	213,634	284,988	236,345	103,379	80,779	7,904	6,738

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
Investment Fund – Class A	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders at start of the year	6,467	6,570	3,270	3,999	185,170	163,937	1,272	2,869
Non Distributable Income (Prior Year)	144	(166)	(133)	(65)	(3,554)	(3,801)	(21)	1
Value of units on issue at beginning of the year	6,611	6,404	3,137	3,934	181,616	160,136	1,251	2,870
Applications for the year	559	1,301	550	3,001	44,528	47,897	250	96
Redemptions for the year	(1,736)	(2,075)	(1,814)	(3,876)	(27,233)	(34,707)	(1,522)	(1,715)
Value of units issued upon reinvestment of distributions	760	981	99	78	5,803	8,290	-	-
Movement in value of units on issue during the year	(417)	207	(1,165)	(797)	23,098	21,480	(1,272)	(1,619)
Non Distributable Income (Current Year)	1,519	(144)	(23)	133	14,926	3,554	21	21
Net Assets attributable to unit holders	7,713	6,467	1,949	3,270	219,640	185,170	-	1,272

(b) Number of units attributable to unit holders (continued)

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
Investment Fund – Class B	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders at start of the year	30,850	26,491	159,879	131,621	207,918	153,141	61,907	54,174	11,183	15,173
Non Distributable Income (Prior Year)	(245)	(150)	(1,338)	150	220	583	(2,921)	(3,817)	1,676	(1,071)
Value of units on issue at beginning of the year	30,605	26,341	158,541	131,771	208,138	153,724	58,986	50,357	12,859	14,102
Applications for the year	358,397	399,117	78,039	94,831	93,153	81,848	29,313	19,019	1,965	1,800
Redemptions for the year	(357,283)	(395,044)	(69,633)	(74,582)	(42,171)	(38,359)	(9,219)	(11,969)	(1,654)	(3,967)
Value of units issued upon reinvestment of distributions	12	191	2,365	6,521	4,197	10,926	1,063	1,579	1,401	924
Movement in value of units on issue during the year	1,126	4,264	10,771	26,770	55,179	54,415	21,157	8,629	1,712	(1,243)
Non Distributable Income (Current Year)	247	245	5,688	1,338	26,154	(221)	13,532	2,921	1,254	(1,676)
Net Assets attributable to unit holders	31,978	30,850	175,000	159,879	289,471	207,918	93,675	61,907	15,825	11,183

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
Investment Fund – Class B	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders at beginning of the year	9,119	8,680	3,448	2,658	205,635	143,806	992	1,835
Non Distributable Income (Prior Year)	157	365	(19)	34	(1,007)	75	2	2
Value of units on issue at beginning of the year	9,276	9,045	3,429	2,692	204,628	143,881	994	1,837
Applications for the year	1,828	1,302	1,111	2,545	117,821	98,833	-	407
Redemptions for the year	(1,173)	(2,534)	(2,460)	(1,878)	(52,872)	(46,300)	(992)	(1,250)
Value of units issued upon reinvestment of distributions	336	1,463	104	70	4,961	8,215	-	-
Movement in value of units on issue during the year	991	231	(1,245)	737	69,910	60,748	(992)	(843)
Non Distributable Income (Current Year)	2,414	(157)	(132)	19	15,070	1,006	(2)	(2)
Net Assets attributable to unit holders	12,681	9,119	2,052	3,448	289,608	205,635	-	992

5. Net assets attributable to unit holders (continued)

(b) Number of units attributable to unit holders

Movements in the number of units on issue during the year were as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
Investment Fund – Class A + Class B	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders at beginning of the year	63,157	70,100	373,513	351,943	444,263	390,227	142,686	153,228	17,921	24,415
Non Distributable Income (Prior Year)	(334)	(224)	(2,016)	(6,550)	(1,974)	(18,669)	9,769	(10,415)	2,703	(2,479)
Value of units on issue at beginning of the year	62,823	69,876	371,497	345,393	442,289	371,558	152,455	142,813	20,624	21,936
Applications for the year	380,862	493,983	110,096	148,451	128,356	124,161	39,137	33,110	2,207	3,628
Redemptions for the year	(389,196)	(501,488)	(125,667)	(138,810)	(78,048)	(80,014)	(30,216)	(27,420)	(4,193)	(6,355)
Value of units issued upon reinvestment of distributions	32	452	13,506	16,463	26,798	26,585	21,274	3,951	3,149	1,415
Movement in value of units on issue during the year	(8,302)	(7,053)	(2,065)	26,104	77,106	70,732	30,195	9,641	1,163	(1,312)
Non Distributable Income (Current Year)	335	334	11,313	2,015	55,065	1,975	14,404	(9,769)	1,942	(2,704)
Net Assets attributable to unit holders	54,856	63,157	380,745	373,512	574,460	444,265	197,054	142,685	23,729	17,920

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
Investment Fund – Class A + Class B	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders at start of the year	15,585	15,249	6,718	6,657	390,805	307,743	2,264	4,704
Non Distributable Income (Prior Year)	301	199	(152)	(31)	(4,561)	(3,726)	(19)	3
Value of units on issue at beginning of the year	15,886	15,448	6,566	6,626	386,244	304,017	2,245	4,707
Applications for the year	2,388	2,603	1,661	5,546	162,349	146,730	250	503
Redemptions for the year	(2,908)	(4,609)	(4,274)	(5,754)	(80,105)	(81,007)	(2,514)	(2,965)
Value of units issued upon reinvestment of distributions	1,096	2,444	203	148	10,764	16,505	-	-
Movement in value of units on issue during the year	576	438	(2,410)	(60)	93,008	82,228	(2,264)	(2,462)
Non Distributable Income (Current Year)	3,933	(301)	(154)	152	29,995	4,561	19	20
Net Assets attributable to unit holders	20,395	15,585	4,002	6,718	509,247	390,806	-	2,265

6. Net asset backing of each unit

The net assets attributable to unit holders of each unit in the Trust as at 30 June 2021 (with the exception of the Fixed Term Fund) was:

Investment Funds	Class A		Class B	
	2021 \$	2020 \$	2021 \$	2020 \$
Cash Fund	1.0000	1.0000	1.0000	1.0000
Capital Stable Fund	1.1707	1.1820	1.2715	1.2350
Balanced Fund	1.4820	1.4485	1.5063	1.3629
Growth Fund	1.2494	1.3477	1.7735	1.5409
Australian Equities Fund	1.1819	1.1920	1.4164	1.2670
International Equities Fund	1.8238	1.5869	2.0652	1.6584
Fixed Interest Fund	1.0438	1.0988	1.1800	1.2423
Moderate Fund	1.2052	1.1583	1.3538	1.2899
Fixed Term Fund (closed 20 Jun 21)	1.0000	1.0000	1.0000	1.0000

* The Fixed Term Fund is a non-unitised investment meaning the value of the investment does not change in line with changes in unit price. The issue price of each interest in the fund was \$1.00 per dollar of value interest and normally this value will not change over the term of the investment. The Fixed Term Fund was terminated on 20 June 2021 and the abovementioned issue price applied at time of termination.

7. Related party disclosures

(a) Responsible entity

The Responsible Entity of the nine Funds comprising the Trust is Aware Financial Services Australia Limited (ABN 86 003 742 756). Aware Financial Services Australia Limited is an unlisted public company incorporated and operating in Australia.

The ultimate controlling entity of Aware Financial Services Australia Limited is Aware Super Pty Ltd as trustee for Aware Superannuation Scheme.

Registered office and principal place of business of Aware Financial Services Australia Limited is:

Level 28
388 George Street,
SYDNEY NSW 2000
Phone: 1800 620 305

(b) Key management personnel

The key management personnel (KMP) of the responsible entity at any time during the financial year were as follows:

Directors of the Responsible Entity

- Claire Wivell Plater, Chairperson
- Trevor Carr
- Mark Lennon
- Sarah Forman

Executives

- Damian Graham – Chief Investment Officer
- Tim Elliott – Group Executive, Finance, Strategy & Transformation
- Jane Couchman – Chief Risk Officer

(c) Key management personnel compensation

Key management personnel are paid through Aware Financial Services Australia Limited. Payments made from the nine Funds comprising the Trust to Aware Financial Services Australia Limited do not include any amounts directly attributable to the compensation of key management personnel.

7. Related party disclosures (continued)

(d) Holdings by related parties

Administration of the nine Funds comprising the Trust is conducted by Aware Financial Services Australia Limited.

As at 30 June 2021, the Responsible Entity had total holdings of \$nil in the Trust (2020: \$nil). There were no holdings by nominees or associates of the Responsible Entity.

The other key management personnel of the Responsible Entity, Aware Financial Services Australia Limited, held \$nil (2020: \$nil) in the Trust as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
Investment Fund – Class A + B	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Key management personnel	-	-	-	-	-	-	-	-	-	-
Responsible Entity	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
Investment Fund – Class A + B	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$	2021 \$	2020 \$
Key management personnel	-	-	-	-	-	-	-	-
Responsible Entity	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

(e) Transactions with related parties

Transactions with related parties have taken place at arm's length and in the ordinary course of business.

Responsible Entity fees of \$6,606,352 (exclusive of GST) (2020: \$9,328,256), calculated in accordance with Note 4(a), were paid to the Responsible Entity.

	Cash Fund	Capital Stable Fund	Balanced Fund	Growth Fund	Australian Equities Fund
Year ended	\$	\$	\$	\$	\$
2021	109,697	1,552,356	2,039,623	827,070	114,100
2020	251,330	2,462,126	2,902,825	1,178,391	162,182

	International Equities Fund	Fixed Interest Fund	Moderate Fund	Fixed Term Fund
Year ended	\$	\$	\$	\$
2021	86,033	18,885	1,850,072	8,516
2020	114,859	40,958	2,192,590	22,995

(e) Transactions with related parties (continued)

Up until 30 November 2019, fee for advice services (Class A) were incorporated into the Responsible Entity fee and treated as an expense to the Funds. After the unbundling initiative from 1 December 2019, only members who elected to receive advice services were charged the advice fee. These were paid by redemption of the member's unit holding. Therefore, this is no longer treated as an expense to the Fund from 1 December 2019 onwards, resulting in a decrease of operating expenses.

(f) Other related party transactions

Aware Financial Services Australia Limited is party to the Group Resources Agreement between Aware Super Services Pty Ltd and Aware Super Pty Ltd, as trustee for Aware Superannuation Scheme dated 1 July 2019 (Resources Agreement) under which Aware Super Services Pty Ltd acts as the employing entity for the Aware Super Group and provides personnel to relevant Aware Super Group members (referred to as Service Recipients) to enable those entities to undertake their business activities. During the year 2021, Aware Financial Services Australia Limited paid \$212k (2020: \$264k) for this service in relation to the Fund.

8. Financial Assets at Fair Value Through Profit or Loss

As at 30 June 2021, the market value of the proportion of the units held by each Fund, in the respective Sector Trust, is shown below:

Investment Funds	Investment in an unlisted unit trust	
	2021 \$'000	2020 \$'000
Cash Fund	54,863	63,315
Capital Stable Fund	384,905	386,207
Balanced Fund	586,515	470,362
Growth Fund	202,488	163,928
Australian Equities Fund	23,739	21,047
International Equities Fund	21,735	16,691
Fixed Interest Fund	4,003	6,903
Moderate Fund	517,213	400,354
Fixed Term Fund (closed 20 June 21)	-	2,265

9. Notes to the Statements of Cash Flows

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
(b) Reconciliation of profit attributable to unit holders for the period to net cash used by operating activities										
Net Profit	-	-	-	-	-	-	-	-	-	-
Finance cost attributable to unit holders	77	1,037	21,251	18,241	86,678	22,414	37,086	5,731	5,152	(998)
Net Profit attributable to unit holders	77	1,037	21,251	18,241	86,678	22,414	37,086	5,731	5,152	(998)
Income reinvested in unit trusts	(72)	(626)	(6,721)	(7,456)	(18,943)	(10,465)	(7,019)	(3,939)	(373)	(629)
Net (gains)/losses on financial instruments at fair value	-	-	(9,406)	(5,889)	(50,889)	(4,468)	(23,899)	937	(4,524)	2,090
(Increase)/decrease in interest receivable	-	-	-	-	-	-	-	-	-	-
Decrease/(increase) in reduced input tax credit receivable	1	3	8	19	5	22	2	9	-	1
Decrease/(increase) in sundry debtors	-	-	2	(1)	1	-	1	(1)	-	1
(Decrease)/increase in accrued expenses	(120)	89	(284)	151	(11)	(92)	5	(49)	-	(7)
Net cash (used in)/generated by operating activities	(114)	503	4,850	5,065	16,841	7,411	6,176	2,688	255	458
(c) Non-cash investing activities										
Distribution reinvested in unit trusts	71	624	6,721	7,456	18,944	10,464	7,019	3,939	373	629
(d) Non-cash financing activities										
Distribution reinvested by unit holders	32	453	13,504	16,463	26,798	26,585	21,274	3,950	3,150	1,415

9. Notes to the Statements of Cash Flows (continued)

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
(a) Cash and cash equivalents	-	-	-	-	-	-	-	-
(b) Reconciliation of profit attributable to unit holders for the period to net cash used by operating activities.								
Net Profit	-	-	-	-	-	-	-	-
Finance cost attributable to unit holders	6,996	1,475	(221)	599	47,385	21,786	73	124
Net Profit attributable to unit holders	6,996	1,475	(221)	599	47,385	21,786	73	124
Income reinvested in unit trusts	(1,397)	(410)	(49)	(203)	(12,744)	(8,668)	-	-
Net (gains)/losses on financial instruments at fair value	(4,292)	(773)	301	(234)	(23,798)	(6,747)	-	-
(Increase)/decrease in interest receivable	-	-	-	-	-	-	-	-
Decrease/(increase) in reduced input tax credit receivable	-	1	-	-	3	13	-	-
Decrease/(increase) in sundry debtors	-	-	-	-	4	(3)	-	7
(Decrease)/increase in accrued expenses	1	(4)	(10)	7	(22)	(12)	-	(8)
Net cash (used in)/generated by operating activities	1,308	289	21	169	10,828	6,369	73	123
(c) Non-cash investing activities								
Distribution reinvested in unit trusts	1,396	410	50	204	12,745	8,668	-	-
(d) Non-cash financing activities								
Distribution reinvested by unit holders	1,096	2,445	203	148	10,763	16,504	-	-

10. Financial Instruments

(a) Financial instrument management

The allocation of investments made by each Sector Trust is dependent on the investment objectives of each Fund. These are generally reviewed annually and may be reviewed on an ad hoc basis if required. The Responsible Entity mitigates the risk that the longer-term strategic asset allocation of each Fund may not achieve its investment objectives by careful research using the Responsible Entity's expertise and that of specialist asset consultants.

The Responsible Entity researches possible new specialist managers to manage the investments of each Sector Trust. Prior to an appointment the Responsible Entity conducts research and due diligence on each specialist investment manager. The Responsible Entity conducts formal reviews of each appointed specialist investment manager's performance.

Generally, on an annual basis the Responsible Entity reviews the existing Sector Trusts including the number and type of investment managers, possible new asset classes or possible termination of asset classes. The Responsible Entity receives advice from specialist asset consultants on the nature and type of Sector Trusts including the possible opening or closure of Sector Trusts.

The performance of each investment manager is calculated monthly, reviewed regularly throughout the financial year and compared to benchmarks such as predetermined market-based investment benchmarks. Daily, the Custodian monitors and reports (on an exceptions basis) on each specialist investment manager's compliance with their investment mandate.

Monthly the investment performance of each Fund is calculated and disclosed on the Responsible Entity's website.

State Street acts as the master custodian on behalf of the Responsible Entity and provides services such as physical custody and safe keeping of assets, settlement of investment trades, and collection of dividends. State Street also provides other services such as accounting, monitoring, and reporting functions for each Fund and Sector Trust.

For more information on the change to the investment structure that occurred on 7 December 2019, refer to Note 1.

(b) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 2 to the financial statements.

(c) Capital risk management

The Fund considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Fund is subject to daily applications and redemptions at the discretion of unitholders. Net assets attributable to unitholders are representative of the expected cash outflows on redemption. Daily applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a daily basis by the Responsible Entity.

(d) Categories of financial instruments

The Funds have investments in the following categories of financial assets and liabilities:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial Assets										
Financial assets held at fair value through profit and loss	54,863	63,315	384,905	386,207	586,515	470,362	202,488	163,928	23,739	21,047
Receivables*	6	3	18	28	26	32	11	14	1	2
Financial Liabilities										
Payables	13	161	4,178	12,723	12,081	26,129	5,445	21,257	11	3,129

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Financial Assets								
Financial assets held at fair value through profit and loss	21,735	16,691	4,003	6,903	517,213	400,354	-	2,265
Receivables*	1	1	-	-	24	31	-	1
Financial Liabilities								
Payables	1,341	1,107	1	185	7,990	9,579	-	1

* All receivables are current and there are no amounts past due or impaired.

(e) Financial risk management objectives

The Funds are exposed to a variety of financial risks. These risks include credit risk, liquidity and cash flow risk and market risk (including interest rate risk, foreign currency risk and price risk).

(f) Credit risk

Credit risk is the risk that the counterparty will fail to perform contractual obligations, either in whole or in part, under contract resulting in a financial loss.

Concentrations of credit risk are minimised primarily by:

- the Funds investing in units in the Sector Trusts
- ensuring that Sector Trust transactions are undertaken with a large number of counterparties
- where appropriate Sector Trusts undertake transactions on recognised exchanges and with a variety of counterparties
- the appointment of investment managers with appropriate credit assessment skills, setting and monitoring limits in investment manager mandates.

The Funds do not have a concentration of credit risk to underlying counterparties. The maximum credit risk to which the Funds are exposed to is equal to the Fund's carrying value of the units in the Sector Trusts and the cash balances held within Sector Trusts.

There has been no change in the strategy to manage credit risk from the prior year.

(g) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Funds will experience difficulty either realising assets or otherwise raising sufficient funds to satisfy commitments associated with financial instruments.

Ultimate responsibility for liquidity risk management rests with the Responsible Entity. The Responsible Entity has built an appropriate risk framework for the management of each Fund's liquidity management requirements. In particular, the liquidity of each Fund is managed in accordance with each Fund's investment strategy. The Fund's net cash flows are regularly monitored. The liquidity risk associated with the need to satisfy unit holders' requests for redemptions is mitigated by new contributions and maintaining adequate liquidity to satisfy usual levels of demand. The overall strategy to manage liquidity risk remains unchanged from 2020.

Liabilities attributable to unit holders are calculated daily.

(h) Market risk

Market Risk arises from factors such as economic, technological, political, or legal conditions which can adversely affect investment markets. In turn, this can cause market prices to fluctuate and affect the value of investment portfolios.

Market risk comprises three types of risk: foreign exchange (currency risk), market interest rates (interest rate risk) and market prices (price risk). The policies and procedures put in place to mitigate the Funds' exposure to market risk are detailed in the Responsible Entity's investment policies and

Risk Management Strategy and Plan. There has been no change in the Funds' exposure to market risk or the manner in which it manages or measures risk.

Concentrations of market risk are minimised primarily by:

- careful research of strategic asset allocation of each Fund
- use of, and advice from, specialist asset consultants
- careful research, hiring and monitoring of professional specialist investment managers
- sector Trusts using a diversified mix of specialist investment managers who the Responsible Entity believes are the most appropriate for each asset class
- where appropriate, Sector Trusts undertaking transactions on recognised exchanges and with a variety of counterparties.

(i) Foreign exchange risk

Foreign currency contracts are used primarily to manage the foreign exchange risk implicit in the value of Sector Trust portfolio securities denominated in foreign currency, and to secure a particular exchange rate for a planned purchase or sale of securities. The terms and conditions of these contracts rarely exceed twelve months.

The Funds through their investment in Sector Trusts have a risk associated with movements in the value of financial assets and or liabilities denominated in foreign currencies.

Foreign currency risk is mitigated by hiring specialist foreign currency managers ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

Movements in foreign currencies are reflected in the value of units invested in Sector Trusts.

(j) Interest rate risk

Interest rate risk is the risk the value of financial assets will fluctuate due to changes in market interest rates.

The Funds, through their investments in units in Sector Trusts and direct holdings in cash, have a risk associated with movements in interest rates.

Interest rate risk is mitigated by hiring professional, specialist investment managers ensuring all activities are transacted in accordance with mandates, overall investment strategy and within approved limits. The Funds have minimal exposure to variable interest rates.

(k) Climate risk

Climate change represents a significant long-term risk to the Fund's investment portfolio. The Fund launched a Climate Change Portfolio Transition Plan (Transition Plan) in 2020 to address the large systemic and structural changes that limiting climate change will require. The Transition Plan is a framework of recommendations and targets focused on short, medium and long-term initiatives to achieve net zero emissions by 2050, with the intention of reducing the risk

10. Financial Instruments (continued)

of climate change on the investment portfolio. Key initiatives under the plan include:

- implementing a de-carbonisation pathway for the investment portfolio
- addressing the climate change risk embedded within our investment portfolio and to adapt, where possible
- proactively investing in energy-efficient investments
- lowering risk through actively managing and engaging with portfolio investments on their climate change transition pathway.

(l) Other market price risk

Market price risk is the risk that the total value of investments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or other factors affecting instruments traded in the market.

Other market price risk is mitigated by hiring professional, specialist investment managers ensuring that all activities are transacted in accordance with mandates, overall investment strategy and within approved limits.

(m) Fair value measurements recognised in the Statement of Financial Position

The financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial instruments that are held by the Investment funds are grouped into Level 2. Please refer to Note 8 for the value of financial instruments.

There were no transfers between any of the three levels in the period.

The Funds' investment in the Sector Trusts (which are unlisted unit trusts) is valued using unit prices which reflect the fair value of the underlying assets.

(n) Sensitivity analysis

The table below summarises the sensitivity of each Fund's Statement of Comprehensive Income and Statement of Financial Position to foreign exchange risk, interest rate risk and other market price risk for accounting purposes.

The sensitivity analyses below have been determined based on the exposure to change in the value of units in each Fund at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

The Responsible Entity has sought and received advice from a specialist asset consultant on possible changes in the unit prices of the Funds due to possible changes in market risk.

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders	54,856	63,157	380,745	373,512	574,460	444,265	197,054	142,685	23,729	17,920
Change in variable rate	1.10%	1.10%	4.00%	3.80%	8.50%	8.40%	11.60%	10.90%	19.60%	20.00%
+ % Effect	603	695	15,230	14,193	48,829	37,318	22,858	15,553	4,651	3,584
- % Effect	(603)	(695)	(15,230)	(14,193)	(48,829)	(37,318)	(22,858)	(15,553)	(4,651)	(3,584)

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net Assets attributable to unit holders	20,395	15,585	4,002	6,718	509,247	390,806	-	2,265
Change in variable rate	16.60%	17.20%	6.90%	6.60%	5.70%	5.60%	-	1.30%
+ % Effect	3,386	2,681	276	443	29,027	21,885	-	29
- % Effect	(3,386)	(2,681)	(276)	(443)	(29,027)	(21,885)	-	(29)



The changes in the investment returns of the Funds used to prepare the sensitivity analysis set out on the previous page equate to a measure of the long-term assumptions for the expected standard deviation of an asset class or financial variable. Management believes that using standard deviation as a risk measure is appropriate for measuring each category of market risk that the individual funds are exposed to. Based on the advice from specialist asset consultants, management is satisfied with the use of a single overall risk variable for the sensitivity analysis as set out on the previous page. The long-term assumptions used in the calculation of standard deviation are intended to be forward looking and have been set using a combination of actual historical returns, economic theory and current market conditions. This methodology is consistent with the approach adopted and used in the sensitivity analysis for the prior year.

However, actual movements in investment returns may be greater than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of economies, markets, and securities in which the sector trusts invests in. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

11. Contingent Assets and Contingent Liabilities

As at 30 June 2021, the Investment Funds did not have any contingent assets and contingent liabilities (2020: \$ nil).

12. Subsequent Events

There has not been any matter or circumstance, and anything referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Trust, the results of those operations, or the state of affairs of the Trust in future financial years.

The Directors have assessed the events subsequent to year end up to the date of signing these financials statements and determined that no adjustments or additional disclosures are required.



Directors' declaration

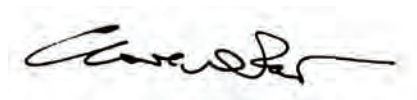
The financial statements of the Aware Investment Funds ('the Trust') for the year ended 30 June 2021 has been prepared by Aware Financial Services Australia Limited, the Responsible Entity. The Trust comprises the Cash Fund, Fixed Interest Fund, Capital Stable Fund, Moderate Fund, Balanced Fund, Growth Fund, Australian Equities Fund, International Equities Fund and Fixed Term Fund ('the Funds').

The Directors of Aware Financial Services Australia Limited declare that:

- a) In the Directors' opinion, there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable;
- b) In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 2 to the financial statements; and
- c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Trust.

Signed in accordance with a resolution of the Directors of the Responsible Entity made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors of the Responsible Entity, Aware Financial Services Australia Limited.



Director

16 September 2021



Director

16 September 2021

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