

Aware Investment Funds



Annual Report 2020





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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 (since 1 April 2020)

Directors

Trevor Carr

Mark Lennon

Sarah Forman (appointed 6 December 2019)

Claire Wivell Plater (appointed 6 December 2019)

Neil Cochrane, Chairperson (resigned 31 March 2020)

Graeme Arnott (resigned 6 December 2019)

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	ARSN 603 551 891
Balanced Fund	ARSN 090 077 991		

Chairman's report

On behalf of the Aware Financial Services Australia Limited, executive and staff, I would like to thank you for trusting our team to look after your superannuation, retirement and financial planning needs over the past year.



A year of challenges

Looking back in a decade from now, 2019-2020 will stand out as one of the most challenging and disruptive years in living memory.

Drought, devastating bushfires and the coronavirus pandemic have all combined to threaten our health, our financial wellbeing, our economy and our environment.

To all our clients – the health care workers, the teachers, those continuing to provide essential services, and those who are making sacrifices to stay at home – thank you for your resilience and strength.



While our name has changed – and the world has changed around us – what hasn't changed is our commitment to you. We haven't taken our eyes off our goal for a second: helping you to live your best retirement.

A year of performance

Amidst all of this, our team has continued to make sound investment decisions. Despite the extremely volatile and uncertain investment market conditions this year, we delivered positive 1-year returns of 0.84% for the Balanced Fund, Investment Fund Class B.

While this return is lower than many previous years, we believe it's a solid outcome considering the turmoil in the markets.

And a year of changes

As you'll have seen, we've changed our brand to Aware Super. We took this decision in consultation with many of you, and it enables us to consolidate StatePlus and First State Super into one.

You can be sure that while our name has changed – and the world has changed around us – what *hasn't* changed is our commitment to you. We haven't taken our eyes off our goal for a second: helping you to live your best retirement.

Best wishes

A handwritten signature in black ink, appearing to read 'Claire Wivell Plater', written in a cursive style.

Claire Wivell Plater
Chairman

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.

His responsibilities at Unions NSW have included industrial and political work in the areas of railways, electricity, health, industrial legislation, occupational health and safety, forestry and superannuation. Mark is a former director of Asset Super and Chifley Financial Services.

He was also appointed as a Director of the StatePlus board in 2016.

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.

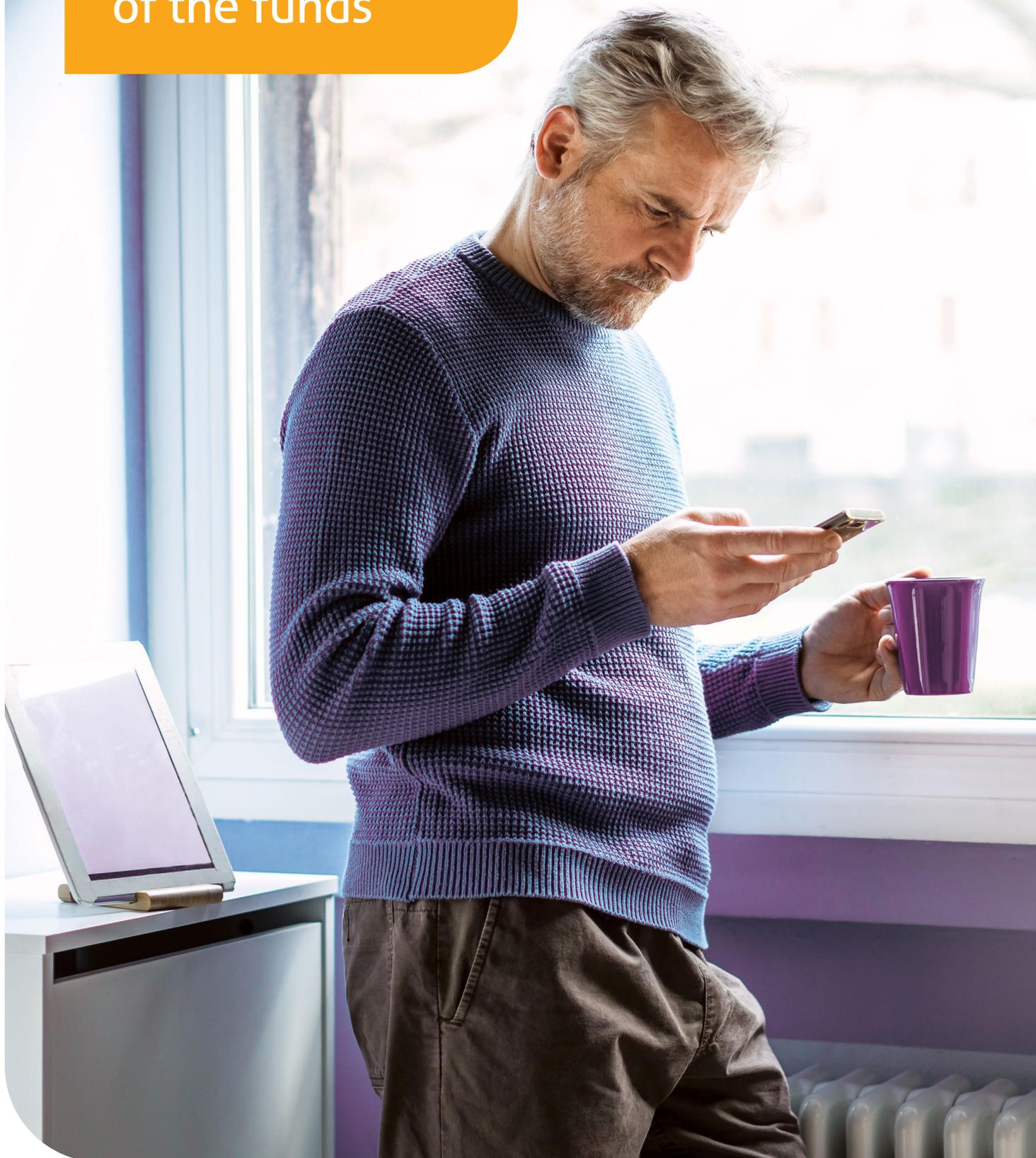
Sarah Forman
Director



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 financial performance of the salaried financial planning business of 600. Across a span of 25 years at BTFG, Sarah worked in Operations, Marketing, Product and Program Management.

Performance of the funds



Performance of the funds

Returns of the Funds – Years ended 30 June 2020 (net of all fees and taxes) – Class A

Fund	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception date
Cash	0.54	0.94	0.99	1.10	1.33	1.94	3.58	28/11/1991
Fixed Interest	3.37	5.12	3.82	3.44	3.77	-	4.22	21/07/2011
Capital Stable	1.17	3.24	3.27	3.35	3.57	3.94	5.30	28/11/1991
Moderate	1.54	3.97	3.73	3.83	4.78	-	5.23	21/07/2011
Balanced	0.49	3.91	4.13	4.20	5.74	6.39	6.38	28/11/1991
Growth	-1.09	3.41	4.26	4.41	6.69	7.41	5.52	16/06/1997
Australian Equities	-10.28	-1.57	1.80	3.29	5.24	-	6.08	21/07/2011
International Equities	3.30	6.63	7.80	7.15	10.42	-	10.80	21/07/2011

Returns of the Funds – Years ended 30 June 2020 (net of all fees and taxes) – Class B

Fund	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr	Since inception	Inception date
Cash	0.79	1.38	1.48	1.66	1.90	-	1.93	2/04/2013
Fixed Interest	3.71	5.62	4.38	4.06	4.40	-	4.17	2/04/2013
Capital Stable	1.55	3.82	3.90	3.95	4.22	-	4.13	2/04/2013
Moderate	1.83	4.51	4.33	4.50	5.47	-	5.39	2/04/2013
Balanced	0.84	4.47	4.74	4.85	6.41	-	6.32	2/04/2013
Growth	-1.10	3.78	4.74	4.94	7.33	-	7.28	2/04/2013
Australian Equities	-9.71	-0.90	2.49	3.97	5.95	-	5.65	2/04/2013
International Equities	3.70	7.21%	8.48	7.85	11.16	-	11.97	2/04/2013

Inflation

	1 yr	2 yr	3 yr	5 yr	7 yr	10 yr
Cash	-0.35	0.62	1.10	1.25	1.54	1.79

The following information has been extracted from the audited Financial Statements of each Fund comprising the Aware Investment Fund included in this report.

Statistics as at 30 June 2019 – Class A

Fund	Net Assets \$'000	Total Distribution Cents/Unit	Income %	Growth %	Total Return* %
Cash	32,482	0.54	0.54	-	0.54
Fixed Interest	3,195	4.31	4.02	-0.65	3.37
Capital Stable	210,269	6.51	5.53	-4.36	1.17
Moderate	181,548	4.05	3.52	-1.98	1.54
Balanced	230,776	13.57	9.36	-8.87	0.49
Growth	78,337	28.28	20.66	-21.74	-1.09
Growth Plus	6,525	27.45	20.10	-30.38	-10.28
Australian Equities	6,285	17.56	11.40	-8.10	3.30
International Equities	32,482	0.54	0.54	-	0.54

* 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 2019 – Class B

Fund	Net Assets \$'000	Total Distribution Cents/Unit	Income %	Growth %	Total Return* %
Cash	30,820	0.79	0.79	-	0.79
Fixed Interest	3,366	5.24	4.34	-0.63	3.71
Capital Stable	157,405	2.53	2.06	-0.50	1.55
Moderate	201,596	3.86	3.02	-1.19	1.83
Balanced	203,369	3.34	2.43	-1.59	0.84
Growth	60,390	3.26	2.05	-3.14	-1.10
Australian Equities	10,868	17.12	11.70	-21.40	-9.71
International Equities	8,883	6.97	4.31	-0.61	3.70

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

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.

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 2020.

Principal activities

The principal activity of the Trust is to provide investors access to various investment options which can be tailored to meet each 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 sets out details of the investment process.

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** (appointed 6 December 2019), Chairperson since 1 April 2020
- **Trevor Carr**
- **Mark Lennon**
- **Sarah Forman** (appointed 6 December 2019)
- **Neil Cochrane**, Chairperson (resigned, 31 March 2020)
- **Graeme Arnott** (resigned, 6 December 2019)

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 2020 was:

Investment Funds	Year Ended 30-Jun-20 \$'000	Year Ended 30-Jun-19 \$'000
Cash Fund	412	982
Capital Stable Fund	10,785	18,771
Balanced Fund	11,950	28,589
Growth Fund	1,792	11,749
Australian Equities Fund	(1,627)	1,997
International Equities Fund	1,065	1,680
Fixed Interest Fund	395	436
Moderate Fund	13,118	19,336
Fixed Term Fund	123	165
Total	38,013	83,705

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 consists of nine registered managed investment schemes (Funds) – Cash, Fixed Interest, Capital Stable, Moderate, Balanced, Growth, Australian Equities, International Equities and Fixed Term Funds.

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 commenced on 20 January 2015.

Review of operations (continued)

Distributions paid and/or declared

In respect of the financial year ended 30 June 2020, a final distribution was paid to unit holders on 08 July 2020. The distributions paid and or declared in respect of the financial year ended 30 June 2020 are detailed below:

Investment Funds – Class A	Year Ended 30-Jun-20 c/unit	Year Ended 30-Jun-19 c/unit
Cash Fund	0.54	1.32
Capital Stable Fund	6.51	6.30
Balanced Fund	13.56	11.06
Growth Fund	28.27	3.36
Australian Equities Fund	27.45	7.94
International Equities Fund	17.56	23.60
Fixed Interest Fund	4.30	2.11
Moderate Fund	4.05	6.57

Investment Funds – Class B	Year Ended 30-Jun-20 c/unit	Year Ended 30-Jun-19 c/unit
Cash Fund	0.78	1.94
Capital Stable Fund	2.53	7.44
Balanced Fund	3.34	11.40
Growth Fund	3.26	4.81
Australian Equities Fund	17.12	9.32
International Equities Fund	6.97	26.98
Fixed Interest Fund	5.24	3.15
Moderate Fund	3.86	8.37

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

Fixed term interest paid

The coupon interests paid in respect of the financial year ended 30 June 2020 are as follows:

Investment Fund – Class A \$95,071 and Investment Fund – Class B \$52,202 (2019: Class A \$125,657 and Investment Fund – Class B \$99,664).

Unit price history

The following table shows the after-distribution unaudited Exit Price for the Funds at the close of business on the reporting date for the past five years and the highest and lowest Exit Price for each of the past five years.

After-Distribution Exit Price Class A Funds	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
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	1.1820	1.2222	1.1781	1.1662	1.1623
High during year	1.2027	1.2223	1.1963	1.1935	1.1828
Low during year	1.1425	1.1748	1.1653	1.1627	1.1579
Balanced Fund					
At 30 June	1.4485	1.5403	1.4531	1.4262	1.4121
High during year	1.5333	1.5480	1.4833	1.4859	1.4503
Low during year	1.3295	1.4106	1.4197	1.4024	1.3715
Growth Fund					
At 30 June	1.3477	1.3958	1.2975	1.2461	1.2183
High during year	1.4834	1.4084	1.3195	1.3137	1.2747
Low during year	1.2044	1.2276	1.2353	1.2063	1.1631
Australian Equities Fund					
At 30 June	1.1920	1.4046	1.3245	1.2618	1.2122
High during year	1.4523	1.4183	1.3625	1.3516	1.3195
Low during year	0.9264	1.1782	1.2473	1.1962	1.1227
International Equities Fund					
At 30 June	1.5869	1.7755	1.6191	1.5663	1.5392
High during year	1.7813	1.7948	1.7530	1.7818	1.6892
Low during year	1.3540	1.5008	1.5350	1.5134	1.4851
Fixed Interest Fund					
At 30 June	1.0988	1.0859	1.0297	1.0414	1.0670
High during year	1.1019	1.0867	1.0522	1.0775	1.0829
Low during year	1.0661	1.0256	1.0297	1.0485	1.0466
Moderate Fund					
At 30 June	1.1583	1.2003	1.1424	1.1353	1.1356
High during year	1.1906	1.2035	1.1634	1.1754	1.1573
Low during year	1.0959	1.1283	1.1332	1.1336	1.1162
Growth Plus Fund					
At 30 June	-	-	-	1.1586	1.1725
High during year	-	-	-	1.2887	1.2459
Low during year	-	-	-	1.1547	1.1137
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

Review of operations (continued)

After-Distribution Exit Price Class B Funds	2020 \$	2019 \$	2018 \$	2017 \$	2016 \$
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	1.2350	1.2775	1.2293	1.2139	1.2098
High during year	1.2557	1.2775	1.2468	1.2437	1.2323
Low during year	1.1934	1.2270	1.2127	1.2103	1.2061
Balanced Fund					
At 30 June	1.3629	1.4505	1.3660	1.3489	1.3357
High during year	1.4413	1.4575	1.4047	1.4070	1.3730
Low during year	1.2510	1.3283	1.3432	1.3274	1.2980
Growth Fund					
At 30 June	1.5409	1.6045	1.4867	1.4288	1.3960
High during year	1.6951	1.6187	1.5182	1.5105	1.4607
Low during year	1.3767	1.4114	1.4171	1.3864	1.3339
Australian Equities Fund					
At 30 June	1.2670	1.4927	1.4030	1.3357	1.2791
High during year	1.5389	1.5071	1.4467	1.4303	1.3910
Low during year	0.9822	1.2473	1.3204	1.2651	1.1847
International Equities Fund					
At 30 June	1.6584	1.8775	1.7009	1.6411	1.6142
High during year	1.8604	1.8980	1.8458	1.8745	1.7830
Low during year	1.4169	1.5818	1.6099	1.5916	1.5651
Fixed Interest Fund					
At 30 June	1.2423	1.2290	1.1639	1.1766	1.2052
High during year	1.2447	1.2298	1.1893	1.2186	1.2253
Low during year	1.2051	1.1594	1.1639	1.1852	1.1825
Moderate Fund					
At 30 June	1.2899	1.3398	1.2729	1.2637	1.2640
High during year	1.3259	1.3431	1.2969	1.3098	1.2892
Low during year	1.2205	1.2594	1.2618	1.2626	1.2429
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

There were no other significant changes in the state of affairs of the Trust during the financial year.

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 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.

On 1 September 2020 the Trust has changed its name to Aware Investment Fund.

Change of names

On 15 September 2020, the legal entity name of the Trust was changed from the "StatePlus Investment Funds" to the "Aware Investment Fund" and the legal name of the Responsible Entity changed its name on 1 September 2020 from State Super Financial Services Australia Limited to Aware Financial Services Australia Limited.

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.

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

There have been no changes to the Trust's valuation accounting policies. Liquidity Risk is managed in part by monitoring the ratio of illiquid assets in the Trust 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.

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 Indirect Cost 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 12 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*.

On behalf of the Directors



Director

24 September 2020



Director

24 September 2020

Auditor's independence declaration and independent auditor's report



Deloitte.

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Board of Directors
Aware Financial Services Australia Limited
Level 22, 388 George Street
Sydney NSW 2000

24 September 2020

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 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicholas Rozario
Partner
Chartered Accountants

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Aware Investment Fund (the "Trust") which comprises the statement of financial position as at 30 June 2020, 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
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• 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 Aware Investment Fund is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Aware Investment Fund's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (ii) 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 Aware Investment Fund 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.

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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.

Other Information

The directors are responsible for the other information. The other information comprises Directors' Report for the year ended 30 June 2020, 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 Aware Investment Fund 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 Aware Investment Fund or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional 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 Aware Investment Fund'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 Aware Investment Fund'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 Aware Investment Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Nicholas Rozario
Partner
Chartered Accountants
Sydney, 24 September 2020



Financial statements

Statements of Comprehensive Income for the Financial Year ended 30 June 2020

	Note	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income											
Interest		-	-	-	-	-	-	-	-	-	-
Miscellaneous income		47	-	67	1	6	2	4	-	-	1
Distributions		624	1,462	7,456	22,883	10,464	34,523	3,939	15,261	629	1,749
Realised gains (losses) on disposal of investments		-	-	10,369	2,365	24,816	3,338	17,696	2,653	2,759	309
Unrealised changes in the fair value of investments		-	-	(4,479)	(3,277)	(20,348)	(5,780)	(18,634)	(4,725)	(4,848)	143
Total Income		671	1,462	13,413	21,972	14,938	32,083	3,005	13,189	(1,460)	2,202
Expenses											
Responsible Entity fee	4(a)	259	480	2,535	3,201	2,988	3,494	1,213	1,440	167	205
Miscellaneous Expense		-	-	93	-	-	-	-	-	-	-
Total Expenses		259	480	2,628	3,201	2,988	3,494	1,213	1,440	167	205
Profit/(loss) attributable to unit holders		412	982	10,785	18,771	11,950	28,589	1,792	11,749	(1,627)	1,997
Finance costs attributable to unit holders											
Distributions to unit holders	3(b)	304	832	15,319	19,495	28,644	30,552	21,975	4,061	3,555	1,539
Fixed Term Interest payment to unit holders		-	-	-	-	-	-	-	-	-	-
Change in net assets attributable to unit holders		108	150	(4,534)	(724)	(16,694)	(1,963)	(20,183)	7,688	(5,182)	458
Net profit/(loss)		-	-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year		-	-	-	-	-	-	-	-	-	-

Statements of Comprehensive Income for the Financial Year ended 30 June 2020 (continued)

Note	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Income								
Interest	-	-	-	-	-	-	147	226
Miscellaneous income	1	-	1	-	21	1	-	-
Distributions	410	2,685	204	253	8,668	21,242	-	-
Realised gains (losses) on disposal of investments	493	263	336	16	7,562	999	-	-
Unrealised changes in the fair value of investments	279	(1,130)	(102)	218	(815)	(406)	-	-
Total Income	1,183	1,818	439	487	15,436	21,836	147	226
Expenses								
Responsible Entity fee 4(a)	118	138	43	51	2,258	2,500	24	61
Miscellaneous Expense	-	-	1	-	60	-	-	-
Total Expenses	118	138	44	51	2,318	2,500	24	61
Profit/(loss) attributable to unit holders	1,065	1,680	395	436	13,118	19,336	123	165
Finance costs attributable to unit holders								
Distributions to unit holders 3(b)	1,168	2,464	275	147	12,282	18,410	-	-
Fixed Term Interest payment to unit holders	-	-	-	-	-	-	101	165
Change in net assets attributable to unit holders	(103)	(784)	120	289	836	926	22	-
Net profit/(loss)	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-

Statements of Financial Position as at 30 June 2020

	Note	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets											
Cash and cash equivalents	9(a)	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	8	63,315	70,329	386,207	366,028	470,362	415,490	163,928	156,624	21,047	25,447
Interest receivable		-	-	-	-	-	-	-	-	-	-
Distribution receivable		-	-	-	-	-	-	-	-	-	-
Other accounts receivable		3	5	28	47	32	54	14	22	2	4
Total assets		63,318	70,334	386,235	366,075	470,394	415,544	163,942	156,646	21,049	25,451
Liabilities											
Accounts payable and accrued expenses		131	42	424	275	217	309	76	126	11	18
Distribution payable	3(b)	30	192	12,299	13,856	25,912	25,008	21,181	3,292	3,118	1,018
Total liabilities (excluding liabilities attributable to unit holders)		161	234	12,723	14,131	26,129	25,317	21,257	3,418	3,129	1,036
Net assets attributable to unit holders	5(b)	63,157	70,100	373,512	351,944	444,265	390,227	142,685	153,228	17,920	24,415
Liabilities attributable to unit holders		(63,157)	(70,100)	(373,512)	(351,944)	(444,265)	(390,227)	(142,685)	(153,228)	(17,920)	(24,415)
Net assets		-	-	-	-	-	-	-	-	-	-

The above Statements of Financial Position should be read in conjunction with the accompanying notes and are aggregated with both Class A and Class B schemes for each Fund.

Statements of Financial Position as at 30 June 2020 (continued)

	Note	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
		30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000	30 June 2020 \$'000	30 June 2019 \$'000
Assets									
Cash and cash equivalents	9(a)	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	8	16,691	17,719	6,903	6,716	400,354	322,123	2,265	4,704
Interest receivable		-	-	-	-	-	-	-	-
Distribution receivable		-	-	-	-	-	-	-	-
Other accounts receivable		1	3	-	1	31	41	1	9
Total assets		16,692	17,722	6,903	6,717	400,385	322,164	2,266	4,713
Liabilities									
Accounts payable and accrued expenses		8	12	11	5	207	219	1	9
Distribution payable	3(b)	1,099	2,461	174	55	9,372	14,202	-	-
Total liabilities (excluding liabilities attributable to unit holders)		1,107	2,473	185	60	9,579	14,421	1	9
Net assets attributable to unit holders	5(b)	15,585	15,249	6,718	6,657	390,806	307,743	2,265	4,704
Liabilities attributable to unit holders		(15,585)	(15,249)	(6,718)	(6,657)	(390,806)	(307,743)	(2,265)	(4,704)
Net assets		-	-	-	-	-	-	-	-

The above Statements of Financial Position should be read in conjunction with the accompanying notes and are aggregated with both Class A and Class B schemes for each Fund.

Statements of Changes in Equity for the Financial Year ended 30 June 2020

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 2020

	Note	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
		30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flow from operating activities											
Interest received		-	-	-	-	-	-	-	-	-	-
Miscellaneous income		47	-	67	-	7	-	3	-	1	-
Distributions received		624	1,462	7,456	22,883	10,464	34,523	3,939	15,261	629	1,749
Responsible Entity fees paid		(188)	(470)	(2,559)	(3,145)	(3,285)	(3,423)	(1,346)	(1,413)	(185)	(202)
Miscellaneous expense		-	-	(93)	-	-	-	-	-	(11)	-
Reduced input tax credit received		20	37	193	227	225	243	92	100	13	14
Net cash flows generated by operating activities	9(b)	503	1,029	5,064	19,965	7,411	31,343	2,688	13,948	458	1,561
Cash flows from investing activities											
Payments for purchase of investments		(233,738)	(184,313)	(1,038,131)	(96,209)	(1,426,308)	(98,648)	(515,701)	(39,425)	(52,271)	(5,401)
Receipts from sale of investments		240,751	194,699	1,023,538	68,411	1,375,726	35,248	507,434	16,438	54,581	4,783
Net cash flows generated by/used in investing activities		7,013	10,386	(14,593)	(27,798)	(50,582)	(63,400)	(8,267)	(22,987)	2,310	(618)
Cash flow from financing activities											
Proceeds from applications by unit holders		493,985	708,731	148,754	145,979	124,340	101,553	33,136	32,471	3,627	4,208
Payments for redemptions by unit holders		(501,487)	(720,124)	(138,811)	(137,845)	(80,014)	(68,861)	(27,421)	(23,337)	(6,355)	(5,103)
Distribution paid		(14)	(22)	(414)	(301)	(1,155)	(635)	(136)	(95)	(40)	(48)
Net cash flows generated by/used in financing activities		(7,516)	(11,415)	9,529	7,833	43,171	32,057	5,579	9,039	(2,768)	(943)
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 and are aggregated with both Class A and Class B schemes for each Fund.

Statements of Cash Flows for the Financial Year ended 30 June 2020 (continued)

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	Note	30 June	30 June	30 June	30 June	30 June	30 June	30 June
		2020	2019	2020	2019	2020	2019	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flow from operating activities								
Interest received		-	-	-	-	-	147	225
Miscellaneous income		1	-	1	-	18	7	7
Distributions received		410	2,685	204	253	8,668	-	-
Responsible Entity fees paid		(131)	(136)	(38)	(50)	(2,424)	(33)	(73)
Miscellaneous expense		(1)	-	(1)	-	(60)	-	-
Reduced input tax credit received		9	9	3	4	167	2	5
Net cash flows generated by operating activities	9(b)	289	2,558	169	207	6,369	123	164
Cash flows from investing activities								
Payments for purchase of investments		(38,362)	(6,138)	(21,270)	(3,944)	(1,066,546)	2,440	3,436
Receipts from sale of investments		40,165	3,545	21,318	5,313	994,812	-	-
Net cash flows generated by/used in investing activities		1,803	(2,593)	48	1,369	(71,734)	2,440	3,436
Cash flows from financing activities								
Proceeds from applications by unit holders		2,603	3,219	5,545	3,994	146,980	503	1,963
Payments for redemptions by unit holders		(4,609)	(3,129)	(5,754)	(5,551)	(81,007)	(2,965)	(5,398)
Distribution paid		(86)	(55)	(8)	(19)	(608)	(101)	(165)
Net cash flows generated by/used in financing activities		(2,092)	35	(217)	(1,576)	65,365	(2,563)	(3,600)
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 and are aggregated with both Class A and Class B schemes for each Fund.



Notes to the financial statements for the financial year ended 30 June 2020

1. The Trust

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

The Trust offers nine registered managed investment schemes 'the Funds'. 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 investments. The Trust's Product Disclosure Statement 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 Effective Date	Class B 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

Asset Migration Structuring

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 predominantly invest. The Feeder Funds invest in one or more Sector Trusts, each taking on the name of the asset class in which it invests. The Fixed Term Fund invests 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 Fund. 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 new investment structure applies for the year ended 30 June 2020. Comparatives presented (30 June 2019) reflect the pre-asset migration structure.

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

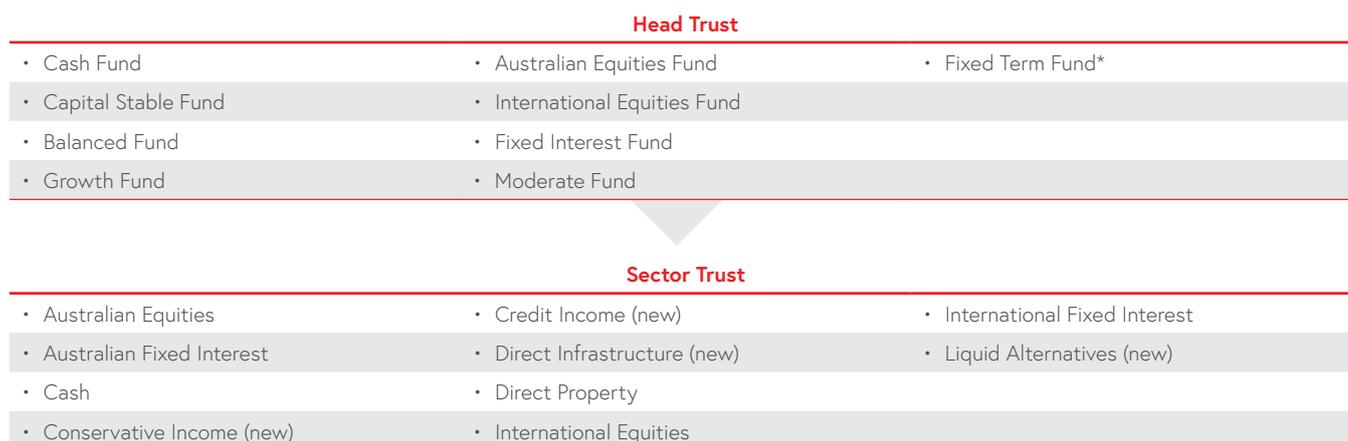
Before Asset Migration Structuring (before 7 December 2019)



* 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

Statement of compliance

The financial statements are a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

Compliance with Australian Accounting Standards ensures that the financial statements and notes thereto comply with International Financial Reporting Standards.

The financial statements were authorised for issue by the Directors of the Responsible Entity on 24 September 2020.

For the purposes of preparing the financial statements, the Trust is a for-profit entity.

Basis of preparation

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.

The financial statements are prepared on a 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 have 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 Fund's valuation accounting policies.

However, 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.

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. These are disclosed in Note 10.

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 2019. 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 accounting policies adopted by the Funds are consistent with those of the previous financial year with the exception of the adoption of AASB 16.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases that applies to annual periods beginning on or after 1 January 2019. AASB 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. Contracts that are leases within the scope of AASB 16 from the lessee's perspective require the recognition of a right-of-use (ROU) asset and a related lease liability, except for short-term leases and leases of low value assets.

The new standard is not applicable for the Trust as it does not have any operating or finance leases at 30 June 2020.

AASB Interpretation 23 Uncertainty over Income Tax Treatment

Interpretation 23 clarified the application of the recognition and measurement criteria in AASB 112 Income Taxes where there is uncertainty over income tax treatments and requires an assessment of each uncertain tax position as to whether it is probable that a taxation authority will accept the position.

2. Summary of Accounting Policies (continued)

Where it is not probable, the effect of the uncertainty is reflected in determining the relevant table profit or loss, tax bases, unused tax losses/credits or tax rate. The amount is determined as either the single most likely amount or the sum of the probability weighted amounts in a range of possible outcomes, whichever better predicts the resolution of the uncertainty. Judgments are reassessed as and when new facts and circumstances are presented.

The interpretation has no material impact for the Trust as it does not have any income tax obligation. 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. The Constitution of the Trust requires the distribution of the full amount of the net income to the unit holders each period.

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 2020 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.

Significant accounting policies

The significant accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 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 Trust. 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 unit holders 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 2020.

Historically, the difference in the distribution to Class A and Class B unit holders was 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 payables 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 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 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. 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 unit holders, 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 2020 and 30 June 2019 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 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
Quarter Ended FY 2019								
30-Sep-18	0.34	0.50	0.42	0.67	0.41	0.64	0.00	0.00
31-Dec-18	0.33	0.49	0.38	0.63	0.29	0.52	0.55	1.18
31-Mar-19	0.34	0.49	0.93	1.20	1.18	1.36	0.00	0.00
30-Jun-19	0.31	0.46	4.57	4.94	9.18	8.88	2.81	3.63
Total	1.32	1.94	6.30	7.44	11.06	11.40	3.36	4.81

	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 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
Quarter ended FY 2019								
30-Sep-18	0.00	0.00	0.00	0.00	0.33	0.57	0.30	0.59
31-Dec-18	2.55	3.20	0.00	0.04	0.16	0.37	0.24	0.51
31-Mar-19	0.00	0.00	0.00	0.00	0.79	1.08	0.86	1.20
30-Jun-19	5.39	6.12	23.60	26.94	0.83	1.13	5.17	6.07
Total	7.94	9.32	23.60	26.98	2.11	3.15	6.57	8.37

The Fixed Term Fund does not distribute income.

(b) Distribution Paid and Payable

Details of the distributions paid or payable to unit holders during the year ended 30 June 2020 and 30 June 2019 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 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
Quarter Ended FY 2019								
Sep 18 Distribution Paid	151	81	797	624	679	582	-	-
Dec 18 Distribution Paid	135	72	709	611	476	517	406	363
Mar 19 Distribution Paid	125	76	1,689	1,209	1,891	1,399	-	-
Jun 19 Distribution Payable	110	82	8,562	5,294	15,022	9,986	2,038	1,254
Total	521	311	11,757	7,738	18,068	12,484	2,444	1,617

	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 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
Quarter ended FY 2019								
Sep 18 Distribution Paid	-	-	-	-	13	14	430	515
Dec 18 Distribution Paid	178	343	-	3	6	7	331	495
Mar 19 Distribution Paid	-	-	-	-	29	22	1,197	1,240
Jun 19 Distribution Payable	369	649	1,007	1,454	31	25	7,379	6,823
Total	547	992	1,007	1,457	79	68	9,337	9,073

4. Expenses

(a) Responsible Entity's fee

Fees charged by the Responsible Entity Aware Super 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 Trust's Constitutions permit the Responsible Entity to charge a fee of up to 1.5% per annum of the net asset value of each Fund. However, during the year ended 30 June 2020, the Responsible Entity charged fees which were lower than the maximum fee as this does not include external investment management fees.

A change to management fees occurred on 1 Dec 2019, refer to Note 4(d) for further information.

	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.
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
2019										
Responsible Entity Fee (excl GST)	0.9027	0.2728	1.1658	0.4107	1.1602	0.4195	1.1763	0.4315	1.2654	0.5457
Add GST	0.0903	0.0273	0.1166	0.0411	0.1160	0.0420	0.1176	0.0432	0.1265	0.0546
Less RITC	(0.0636)	(0.0192)	(0.0821)	(0.0289)	(0.0817)	(0.0295)	(0.0828)	(0.0304)	(0.0891)	(0.0384)
Net Charge to the Funds	0.9294	0.2809	1.2003	0.4229	1.1945	0.4320	1.2111	0.4443	1.3028	0.5619

	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.
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
2019								
Responsible Entity Fee (excl GST)	1.3079	0.5556	0.9859	0.3645	1.1506	0.3767	1.6127	0.6914
Add GST	0.1308	0.0556	0.0986	0.0365	0.1151	0.0377	0.1613	0.0691
Less RITC	(0.0921)	(0.0391)	(0.0694)	(0.0257)	(0.0810)	(0.0265)	(0.1136)	(0.0487)
Net Charge to the Funds	1.3466	0.5721	1.0151	0.3753	1.1847	0.3879	1.6604	0.7118

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
2020										
Responsible Entity Fee (excl GST)	190	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	196	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

	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
2019										
Responsible Entity Fee (excl GST)	394	72	2,567	541	2,750	642	1,164	234	117	83
Add GST	39	7	257	54	275	64	116	23	12	8
Less RITC	(28)	(5)	(181)	(38)	(194)	(45)	(82)	(16)	(8)	(6)
Total Expense	405	74	2,643	557	2,831	661	1,198	241	121	85

	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
2019								
Responsible Entity Fee (excl GST)	86	48	39	10	1,886	542	46	13
Add GST	9	5	3	1	189	54	5	1
Less RITC	(6)	(3)	(3)	(1)	(133)	(38)	(3)	(1)
Total Expense	89	50	39	10	1,942	558	48	13

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.

On 1 December 2019, management fees were amended for both the Class A and Class B Funds. The management fees for both Class A and Class B Funds are shown in the following tables:

Class A	2020 From 1 Dec 19 %	2020 5 months to 30 Nov 19 %	2019 %
Cash Fund	0.24	0.99	0.99
Fixed Interest Fund	0.40	1.15	1.15
Capital Stable Fund	0.55	1.30	1.30
Moderate Fund	0.60	1.35	1.35
Balanced Fund	0.65	1.40	1.40
Growth Fund	0.75	1.50	1.50
Australian Equities Fund	0.75	1.50	1.50
International Equities Fund	0.75	1.50	1.50
Fixed Term Fund	0.40	1.15	1.15

Class B	2020 From 1 Dec 19 %	2020 5 months to 30 Nov 19 %	2019 %
Cash Fund	0.24	0.39	0.39
Fixed Interest Fund	0.40	0.50	0.50
Capital Stable Fund	0.55	0.57	0.57
Moderate Fund	0.60	0.61	0.61
Balanced Fund	0.65	0.70	0.70
Growth Fund	0.75	0.77	0.77
Australian Equities Fund	0.75	0.77	0.77
International Equities Fund	0.75	0.77	0.77
Fixed Term Fund	0.40	0.50	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.

	2020 \$	2019 \$
Audit fees – Deloitte Touche Tohmatsu	148,000	149,583
Total Auditor's Remuneration	148,000	149,583

The compliance plan audit fee with Deloitte Touche Tohmatsu was \$30,000 (2019: \$31,767) 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	
	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units
Investment Fund – Class A										
Units on issue at the beginning of the financial year	43,612,920	52,934,027	187,273,706	190,228,095	163,673,600	160,195,728	72,426,074	73,060,527	6,842,503	7,086,922
Units issued during the year	94,291,929	223,469,818	44,225,227	51,963,353	28,821,919	28,532,815	10,205,580	11,143,602	1,521,978	954,980
Units redeemed during the year	(105,767,465)	(233,312,738)	(53,069,833)	(60,406,832)	(28,467,299)	(30,068,288)	(11,165,103)	(13,097,129)	(1,786,394)	(1,481,103)
Units issued upon reinvestment of distributions	261,459	521,813	8,437,879	5,489,090	10,792,780	5,013,345	1,724,783	1,319,074	361,760	281,704
Units on issue at the end of the financial year	32,398,843	43,612,920	186,866,979	187,273,706	174,821,000	163,673,600	80,779	99,054	6,939,847	6,842,503

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Growth Plus Fund		Fixed Term Fund	
	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units
Investment Fund – Class A										
Units on issue at the beginning of the financial year	4,267,312	4,229,751	3,710,720	4,355,831	142,723,824	142,593,974			2,891,041	4,796,457
Units issued during the year	837,704	716,290	2,700,622	1,392,195	41,120,616	32,501,687			96,000	949,659
Units redeemed during the year	(1,298,847)	(963,492)	(3,499,168)	(2,136,706)	(29,805,855)	(36,512,681)			(1,464,698)	(2,855,075)
Units issued upon reinvestment of distributions	636,397	284,763	72,284	99,400	7,202,779	4,140,844				
Units on issue at the end 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

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. There are no separate classes of units in the Funds.

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

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

Investment Fund – Class B	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units
Units on issue at the beginning of the financial year	26,534,413	27,608,669	107,175,198	89,610,708	112,460,360	83,568,853	34,544,742	26,162,847	10,599,355	10,262,864
Units issued during the year	398,812,403	485,261,280	75,867,559	67,343,466	59,304,320	42,722,572	11,958,166	11,686,497	1,426,510	2,094,467
Units redeemed during the year	(394,655,589)	(486,628,050)	(59,523,427)	(52,946,414)	(28,006,323)	(17,727,647)	(7,744,370)	(4,013,277)	(3,008,906)	(2,242,584)
Units issued upon reinvestment of distributions	190,990	292,514	5,299,457	3,167,438	8,002,200	3,896,582	999,099	708,675	642,232	484,608
Units on issue at the end 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

Investment Fund – Class B	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units	2020 units	2019 units
Units on issue at the beginning of the financial year	5,397,538	4,773,090	2,183,026	2,803,788	112,426,589	77,879,674	1,835,579	3,343,756
Units issued during the year	794,626	1,147,195	2,032,854	2,137,664	76,530,392	54,524,990	406,500	1,013,079
Units redeemed during the year	(1,542,474)	(853,129)	(1,491,924)	(2,825,996)	(35,860,683)	(23,071,969)	(1,249,779)	(2,521,256)
Units issued upon reinvestment of distributions	908,271	330,382	57,567	67,570	6,405,905	3,093,894		
Units on issue at the end 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

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. There are no separate classes of units in the Funds.

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:

Investment Fund – Class A	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders at beginning of the year	43,609	52,934	220,322	224,014	237,086	232,705	99,054	94,782	9,242	9,413
Non Distributable Income (Prior Year)	(74)	(28)	(6,700)	(7,054)	(19,252)	(20,181)	(6,598)	(1,477)	(1,408)	(1,260)
Value of units on issue at beginning of the year	43,535	52,906	213,622	216,960	217,834	212,524	92,456	93,305	7,834	8,153
Applications for the year	94,866	223,470	53,620	62,079	42,313	42,284	14,091	14,700	1,828	1,276
Redemptions for the year	(105,780)	(233,363)	(62,787)	(71,914)	(41,446)	(44,301)	(15,418)	(17,245)	(2,381)	(1,950)
Value of units issued upon reinvestment of distributions	261	522	9,942	6,497	15,659	7,326	2,372	1,696	491	355
Movement in value of units on issue during the year	(10,653)	(9,371)	775	(3,338)	16,526	5,309	1,045	(849)	(62)	(319)
Non Distributable Income (Current Year)	(575)	74	(763)	6,700	1,986	19,253	(12,722)	6,598	(1,034)	1,408
Net Assets attributable to unit holders	32,307	43,609	213,634	220,322	236,346	237,086	80,779	99,054	6,738	9,242

Investment Fund – Class A	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders at start of the year	6,570	6,829	3,999	4,482	163,937	162,830	2,869	4,796
Non Distributable Income (Prior Year)	(166)	(497)	(65)	111	(3,801)	(3,035)	1	1
Value of units on issue at beginning of the year	6,404	6,332	3,934	4,593	160,136	159,795	2,870	4,797
Applications for the year	1,301	1,201	3,001	1,458	47,897	37,830	96	950
Redemptions for the year	(2,075)	(1,589)	(3,820)	(2,220)	(34,448)	(42,246)	(1,715)	(2,877)
Value of units issued upon reinvestment of distributions	981	460	78	103	8,290	4,757	-	-
Movement in value of units on issue during the year	207	72	(741)	(659)	21,739	341	(1,619)	(1,927)
Non Distributable Income (Current Year)	(144)	166	77	65	3,295	3,801	21	(1)
Net Assets attributable to unit holders	6,467	6,570	3,270	3,999	185,170	163,937	1,272	2,869

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

Investment Fund – Class B	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders at start of the year	26,491	27,594	131,621	110,105	153,141	114,113	54,174	38,888	15,173	14,438
Non Distributable Income (Prior Year)	(150)	(46)	150	(219)	583	(451)	(3,817)	(1,250)	(1,071)	(761)
Value of units on issue at beginning of the year	26,341	27,548	131,771	109,886	153,724	113,662	50,357	37,638	14,102	13,677
Applications for the year	399,117	485,261	94,831	83,899	81,848	59,269	19,019	17,771	1,800	2,933
Redemptions for the year	(395,044)	(486,761)	(74,582)	(65,930)	(38,359)	(24,560)	(11,969)	(6,093)	(3,967)	(3,153)
Value of units issued upon reinvestment of distributions	191	292	6,521	3,916	10,926	5,352	1,579	1,040	924	646
Movement in value of units on issue during the year	4,264	(1,208)	26,770	21,885	54,415	40,061	8,629	12,718	(1,243)	426
Non Distributable Income (Current Year)	245	151	1,338	(150)	(221)	(582)	2,921	3,818	(1,676)	1,070
Net Assets attributable to unit holders	30,850	26,491	159,879	131,621	207,918	153,141	61,907	54,174	11,183	15,173

Investment Fund – Class B	International Equities Fund		Fixed Interest Fund		Moderate Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders at beginning of the year	8,680	8,095	2,658	3,261	143,806	99,089
Non Distributable Income (Prior Year)	365	(88)	34	147	75	235
Value of units on issue at beginning of the year	9,045	8,007	2,692	3,408	143,881	99,324
Applications for the year	1,302	2,018	2,545	2,536	98,833	70,408
Redemptions for the year	(2,534)	(1,540)	(1,878)	(3,331)	(46,300)	(29,817)
Value of units issued upon reinvestment of distributions	1,463	560	70	79	8,215	3,966
Movement in value of units on issue during the year	231	1,038	737	(716)	60,748	44,557
Non Distributable Income (Current Year)	(157)	(365)	19	(34)	1,006	(75)
Net Assets attributable to unit holders	9,119	8,680	3,448	2,658	205,635	143,806

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:

Investment Fund – Class A + Class B	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders at beginning of the year	70,100	80,528	351,943	334,119	390,227	346,818	153,228	133,670	24,415	23,851
Non Distributable Income (Prior Year)	(224)	(74)	(6,550)	(7,273)	(18,669)	(20,632)	(10,415)	(2,727)	(2,479)	(2,021)
Value of units on issue at beginning of the year	69,876	80,454	345,393	326,846	371,558	326,186	142,813	130,943	21,936	21,830
Applications for the year	493,983	708,731	148,451	145,978	124,161	101,553	33,110	32,471	3,628	4,209
Redemptions for the year	(501,488)	(720,124)	(138,810)	(137,844)	(79,678)	(68,861)	(27,370)	(23,338)	(6,345)	(5,103)
Value of units issued upon reinvestment of distributions	452	814	16,463	10,413	26,585	12,678	3,951	2,736	1,415	1,001
Movement in value of units on issue during the year	(7,053)	(10,579)	26,104	18,547	71,068	45,370	9,691	11,869	(1,302)	107
Non Distributable Income (Current Year)	334	224	2,015	6,550	1,639	18,671	(9,819)	10,416	(2,714)	2,478
Net Assets attributable to unit holders	63,157	70,100	373,512	351,944	444,265	390,227	142,685	153,228	17,920	24,415

Investment Fund – Class A + Class B	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders at start of the year	15,249	14,924	6,657	7,743	307,743	261,919	4,704	8,140
Non Distributable Income (Prior Year)	199	(585)	(31)	258	(3,726)	(2,800)	3	2
Value of units on issue at beginning of the year	15,448	14,339	6,626	8,001	304,017	259,119	4,707	8,142
Applications for the year	2,603	3,219	5,546	3,994	146,730	108,238	503	1,963
Redemptions for the year	(4,608)	(3,129)	(5,657)	(5,551)	(80,539)	(72,063)	(2,965)	(5,398)
Value of units issued upon reinvestment of distributions	2,444	1,020	148	182	16,505	8,723	-	-
Movement in value of units on issue during the year	439	1,110	37	(1,375)	82,696	44,898	(2,462)	(3,435)
Non Distributable Income (Current Year)	(302)	(200)	55	31	4,093	3,726	20	(3)
Net Assets attributable to unit holders	15,585	15,249	6,718	6,657	390,806	307,743	2,265	4,704

6. Net asset backing of each unit

The net tangible assets attributable to unit holders of each unit in the Trust as at 30 June 2020 was:

Investment Funds	Class A		Class B	
	2020 \$	2019 \$	2020 \$	2019 \$
Cash Fund	1.0000	1.0000	1.0000	1.0000
Capital Stable Fund	1.1820	1.2222	1.2350	1.2775
Balanced Fund	1.4485	1.5403	1.3629	1.4505
Growth Fund	1.3477	1.3958	1.5409	1.6045
Australian Equities Fund	1.1920	1.4046	1.2670	1.4927
International Equities Fund	1.5869	1.7755	1.6584	1.8775
Fixed Interest Fund	1.0988	1.0859	1.2423	1.2290
Moderate Fund	1.1583	1.2003	1.2899	1.3398
Fixed Term Fund	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.

7. Related party disclosures

(a) Responsible entity

The Responsible Entity of the nine Funds comprising the Trust is Aware Financial Services Australia Limited (formerly State Super 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 Super Financial Services Australia Limited is:

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

Formerly:

Level 21
83 Clarence Street
SYDNEY NSW 2000
Tel: (02) 9333 9555

(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 Trustee

- Claire Wivell Plater (appointed 6 December 2019, Chairperson since 1 April 2020)
- Mark Lennon
- Trevor Carr
- Sarah Forman (appointed 6 December 2019).

Termination of Directors since 30 June 2019

- Neil Cochrane, Chairperson (resigned 31 March 2020)
- Graeme Arnott (resigned 6 December 2019)

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 by 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 2020, the Responsible Entity had total holdings of \$nil in the Trust (2019: nil). There were no holdings by nominees or associates of the Responsible Entity other than as indicated below.

The other key management personnel of the Responsible Entity, Aware Super Financial Services Australia Limited, held \$nil (2019: \$nil) in the Trust as follows:

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Investment Fund – Class A + B										
Key management personnel	-	-	-	-	-	-	-	-	-	-
Responsible entity	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Investment Fund – Class A + B								
Key management personnel	-	-	-	-	-	-	-	-
Responsible entity	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Class B										
Key management personnel	-	-	-	-	-	-	-	-	-	-
Responsible entity	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-

	International Equities Fund		Fixed Interest Fund		Moderate Fund	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Class B						
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 \$9,328,256 (exclusive of GST) (2019: \$11,237,044), 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	\$	\$	\$	\$	\$
2020	251,330	2,462,126	2,902,825	1,178,391	162,182
2019	465,918	3,109,059	3,393,129	1,398,929	199,736

	International Equities Fund	Fixed Interest Fund	Moderate Fund	Fixed Term Fund
Year ended	\$	\$	\$	\$
2020	114,859	40,958	2,192,590	22,995
2019	134,148	49,115	2,428,053	58,957

(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 Super 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 2020, Aware Financial Services Australia Limited paid \$264k for this service in relation to the Fund.

8. Financial Assets at Fair Value Through Profit or Loss

As at 30 June 2020, the market value of the proportion of the units held by each Fund, in the respective Sector Trust, is shown below:

Investment Funds	Units in an unlisted unit trust	
	2020 \$'000	2019 \$'000
Cash Fund	63,315	70,329
Capital Stable Fund	386,207	366,028
Balanced Fund	470,362	415,490
Growth Fund	163,928	156,624
Australian Equities Fund	21,047	25,447
International Equities Fund	16,691	17,719
Fixed Interest Fund	6,903	6,716
Moderate Fund	400,354	322,123
Fixed Term Fund	2,265	4,704

9. Notes to the Statements of Cash Flows

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'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	1,037	2,445	18,241	41,653	22,414	63,112	5,731	27,010	(998)	3,745
Net Profit attributable to unit holders	1,037	2,445	18,241	41,653	22,414	63,112	5,731	27,010	(998)	3,745
Income reinvested in unit trusts	(626)	(1,462)	(7,456)	(22,883)	(10,465)	(34,522)	(3,939)	(15,261)	(629)	(1,749)
Net (gains)/losses on financial instruments at fair value	-	-	(5,889)	913	(4,468)	2,442	937	2,072	2,090	(452)
(Increase)/decrease in interest receivable	-	-	-	-	-	-	-	-	-	-
Decrease/(increase) in reduced input tax credit receivable	3	4	19	8	22	4	9	1	1	-
(Increase)/decrease in sundry debtors	-	-	(1)	(1)	-	(2)	(1)	-	1	(1)
Increase/(decrease) in accrued expenses	89	42	151	275	(92)	309	(49)	126	(7)	18
Net cash (used in)/generated by operating activities	503	1,029	5,065	19,965	7,411	31,343	2,688	13,948	458	1,561
(c) Non-cash investing activities										
Distribution reinvested in unit trusts	624	1,462	7,456	22,883	10,464	34,523	3,939	15,261	629	1,749
(d) Non-cash financing activities										
Distribution reinvested by unit holders	453	814	16,463	10,413	26,585	12,679	3,950	2,736	1,415	1,001

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'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	1,475	4,364	599	689	21,786	40,578	124	165
Net Profit attributable to unit holders	1,475	4,364	599	689	21,786	40,578	124	165
Income reinvested in unit trusts	(410)	(2,685)	(203)	(253)	(8,668)	(21,242)	-	-
Net (gains)/losses on financial instruments at fair value	(773)	867	(234)	(234)	(6,747)	(593)	-	-
(Increase)/decrease in interest receivable	-	-	-	-	-	-	-	-
Decrease/(increase) in reduced input tax credit receivable	1	-	-	1	13	2	-	1
(Increase)/decrease in sundry debtors	-	-	-	-	(3)	(1)	7	7
(Decrease)/increase in accrued expenses	(4)	12	7	4	(12)	219	(8)	(8)
Net cash (used in)/generated by operating activities	289	2,558	169	207	6,369	18,963	123	164
(c) Non-cash investing activities								
Distribution reinvested in unit trusts	410	2,685	204	253	8,668	21,242	-	-
(d) Non-cash financing activities								
Distribution reinvested by unit holders	2,445	1,020	148	182	16,504	8,723	-	-

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 managers 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	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial Assets										
Financial assets held at fair value through profit and loss	63,315	70,329	386,207	366,028	470,362	415,490	163,928	156,624	21,047	25,447
Receivables*	3	5	28	47	32	54	14	22	2	4
Financial Liabilities										
Payables	161	234	12,723	14,131	26,129	25,317	21,257	3,418	3,129	1,036

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Financial Assets								
Financial assets held at fair value through profit and loss	16,691	17,719	6,903	6,716	400,354	322,123	2,265	4,704
Receivables*	1	3	-	1	31	41	1	9
Financial Liabilities								
Payables	1,107	2,473	185	60	9,579	14,421	1	9

* 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 the 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 are mitigated by new contributions and maintaining adequate liquidity to satisfy usual levels of demand. The overall strategy to manage liquidity risk remains unchanged from 2019.

Liabilities attributable to unit holders are at call.

(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 units 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) 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.



(l) 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.

(m) Sensitivity analysis

The table on the following page 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.

The changes in the investment returns of the Funds used to prepare the sensitivity analysis set out below 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 below. 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 2019.

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, market and securities in which the sector trusts invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Cash Fund		Capital Stable Fund		Balanced Fund		Growth Fund		Australian Equities Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders	63,157	70,100	373,512	351,944	444,265	390,227	142,685	153,228	17,920	24,415
Change in variable rate	1.10%	1.10%	3.80%	2.80%	8.40%	7.50%	10.90%	11.20%	20.00%	17.80%
+ % Effect	695	771	14,193	9,854	37,318	29,267	15,553	17,162	3,584	4,346
- % Effect	(695)	(771)	(14,193)	(9,854)	(37,318)	(29,267)	(15,553)	(17,162)	(3,584)	(4,346)

	International Equities Fund		Fixed Interest Fund		Moderate Fund		Fixed Term Fund	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Net Assets attributable to unit holders	15,585	15,249	6,718	6,657	390,806	307,743	2,265	4,704
Change in variable rate	17.20%	14.10%	6.60%	3.10%	5.60%	4.90%	1.30%	1.30%
+ % Effect	2,681	2,150	443	206	21,885	15,079	29	61
- % Effect	(2,681)	(2,150)	(443)	(206)	(21,885)	(15,079)	(29)	(61)

11. Contingent Assets and Contingent Liabilities

As at 30 June 2020, the Trust did not have any contingent assets and contingent liabilities (2019: \$ 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 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.

On 1 September 2020 the Trust has changed its name to Aware Investment Fund.



Directors' declaration

The financial statements of the Aware Investment Fund ('the Trust') for the year ended 30 June 2020 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:

- 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;
- 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;
- 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

24 September 2020



Director

24 September 2020

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