

**AMIST SUPER
(AUSTRALIAN MEAT INDUSTRY SUPERANNUATION TRUST)**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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AMIST SUPER**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

		2023	2022
	Notes	\$'000	\$'000
ASSETS			
Cash and cash equivalents	16(b)	16,604	13,956
Receivables	13	2,038	5,970
Investments	4,5	2,908,658	2,542,948
Fixed assets		253	223
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TOTAL ASSETS		2,927,553	2,563,097
LIABILITIES			
Creditors and accruals	14	2,194	2,341
Employee entitlements	15	428	405
Derivative liabilities	4	6,875	11,274
Current tax liabilities	12(d)	7,537	11,201
Deferred tax liabilities	12(e)	23,715	976
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TOTAL LIABILITIES EXCLUDING MEMBER BENEFITS		40,749	26,197
		<hr/>	<hr/>
NET ASSETS AVAILABLE FOR MEMBER BENEFITS		2,886,804	2,536,900
MEMBER BENEFITS		(2,872,592)	(2,527,460)
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NET ASSETS		14,212	9,440
EQUITY			
Operational risk reserve (ORR)	8	7,551	6,371
Insurance reserve	8	400	400
Administration reserve	8	6,000	5,000
Investment and tax reserve	8	261	(2,331)
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TOTAL EQUITY		14,212	9,440
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INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$'000	2022 \$'000
REVENUE FROM SUPERANNUATION ACTIVITIES			
Investment income	6	139,477	101,163
Movement in fair value of investments		174,579	(128,909)
Other income		1,865	1,065
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TOTAL SUPERANNUATION ACTIVITIES REVENUE		315,921	(26,681)
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EXPENSES			
Direct investment expenses	10	2,000	3,764
Administration expenses		1,532	3,498
Operating expenses	11	6,544	5,810
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TOTAL EXPENSES		10,076	13,072
		<hr/>	<hr/>
NET INCOME FROM SUPERANNUATION ACTIVITIES		305,845	(39,753)
Net benefits allocated to members' accounts		(279,637)	24,639
		<hr/>	<hr/>
PROFIT / (LOSS) BEFORE INCOME TAX		26,208	(15,114)
Income tax expense/(benefit)	12(a)(b)	21,436	(12,677)
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PROFIT / (LOSS) AFTER INCOME TAX		4,772	(2,437)
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STATEMENT OF CHANGES IN MEMBER BENEFITS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$'000	2022 \$'000
Liability for accrued benefits beginning of period		2,527,460	2,501,464
CONTRIBUTIONS			
Employer contributions		226,362	190,537
Member contributions		16,549	20,812
Government co-contributions		180	163
Transfers in		32,147	31,280
Total contributions before tax		275,238	242,792
Income tax on contributions	12(c)	(35,008)	(29,277)
Net after tax contributions		240,230	213,515
BENEFITS PAID			
Rollovers		(76,878)	(83,737)
Cash benefits paid		(52,537)	(38,744)
Death and TPD		(18,695)	(14,454)
Pensions paid		(12,837)	(12,576)
Other benefits		(7,574)	(5,930)
Net benefits paid		(168,521)	(155,441)
INSURANCE			
Insurance premiums charged to members' accounts	9	(16,508)	(15,835)
Claims credited to members' accounts	9	10,294	8,396
Net Insurance cost		(6,214)	(7,439)
BENEFITS ALLOCATED TO MEMBERS' ACCOUNTS			
Investment earnings/(losses) applied to members		286,326	(18,422)
Fees paid by members		(6,689)	(6,217)
Net benefits allocated to Members' Accounts		279,637	(24,639)
Liability for accrued benefits end of period		2,872,592	2,527,460

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STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 30 JUNE 2023

	ORR \$'000	Insurance Reserve \$'000	Administration Reserve \$'000	Investment and Tax Reserve \$'000	Total Reserves \$'000
Year Ended 30 June 2023					
Opening Balance	6,371	400	5,000	(2,331)	9,440
Net income/(loss) applied	180	-	3,041	1,551	4,772
Transfer between reserves	1,000	-	(2,041)	1,041	-
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Closing Balance	7,551	400	6,000	261	14,212
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	ORR \$'000	Insurance Reserve \$'000	Administration Reserve \$'000	Investment and Tax Reserve \$'000	Total Reserves \$'000
Year Ended 30 June 2022					
Opening Balance	5,995	400	5,000	548	11,943
Prior year adjustment	-	-	(158)	92	(66)
Net income/(loss) applied	(29)	-	1,054	(3,462)	(2,437)
Transfer between reserves	405	-	(896)	491	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Closing Balance	6,371	400	5,000	(2,331)	9,440
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 \$'000	2022 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		338	4
Other income		1,865	740
Insurance proceeds (inwards)		10,294	8,396
Insurance premiums (outwards)		(16,265)	(15,847)
Investment and administration expenses		(8,614)	(9,874)
Income tax received (paid)		(2,361)	(18,642)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	16(a)	(14,743)	(35,223)
CASH FLOWS IN INVESTING ACTIVITIES			
Net proceeds from (purchase)/sale of Investments		39,529	51,437
Payments for purchase of investments		(93,452)	(74,070)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		(53,923)	(22,633)
CASH FLOWS FROM FINANCING ACTIVITIES			
Employer contributions		225,968	191,042
Member contributions		16,549	20,812
Government co-contribution		180	163
Transfers in		32,147	31,280
Rollovers, benefits and pensions paid		(168,522)	(155,441)
Income tax on contributions received		(35,008)	(29,277)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		71,314	58,579
NET INCREASE IN CASH HELD		2,648	723
CASH AT THE BEGINNING OF PERIOD		13,956	13,233
CASH AT THE END OF PERIOD	16(b)	16,604	13,956

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

The Australian Meat Industry Superannuation Trust operates under AMIST Super (the Fund) is a defined contribution superannuation fund domiciled in Australia. The address of the Fund's office is:

Level 9
33 York Street
Sydney NSW 2000

The purpose of the Fund is to provide retirement benefits to its members. The Fund was constituted by an original Trust Deed, which was repealed and replaced on 15 February 2013. The Fund holds a public offer licence primarily to provide superannuation benefits to employees within the meat industry in Australia. The Fund has accumulation members and pensioners.

The Trustee of the Fund is Australian Meat Industry Superannuation Pty Limited (RSE No R1001778).

These financial statements cover the Fund as an individual entity. The financial statements were approved by the Board of the Trustee, Australian Meat Industry Superannuation Pty Limited on 26 September 2023. The directors of the Trustee have the power to amend and re-issue these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless covered in other notes to the financial statements, the principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

(a) Basis of preparation

The financial statements are general purpose financial statements which have been drawn up in accordance with Australian accounting standards including AASB 1056 *Superannuation Entities*, other applicable Accounting Standards and the requirements of the *Superannuation Industry (Supervision) Act 1993* and Regulations ("SIS") and the provisions of the Trust Deed. The financial statements are presented in Australian dollars.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. Balances are expected to be recovered or settled within twelve months, except for investments, fixed assets, derivative liabilities and the liabilities for member benefits.

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

(b) New and amended standards adopted during the year

There are no new or amended accounting standards that applied during the financial year.

(c) New Standards and Interpretations not yet Adopted

Certain new accounting standards, amendments to standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Fund. None of these are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(d) Financial Investments

Investments of the Fund are initially recognised using trade date or settlement date accounting, as appropriate. From the initial recognition any gains and losses arising from net remeasurement changes in the assets fair value are recorded in the Income Statement. Fair values have been determined as follows:

Market quoted investments

The fair value of an investment for which there is a readily available market quotation is determined as the last quoted sale price at the close of business on reporting date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-market quoted investments

Investments for which market quotations are not readily available are valued at the fair value determined by the Trustee as follows:

- Unlisted securities – recorded with reference to recent arm's length transactions, current value of another instrument that is substantially the same or using discounted cash flows.
- Where discounted cash flow techniques are used, estimated future cash flows are based on Trustee's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms, conditions, and risks.
- Where other pricing models are used, inputs are based on market data at the reporting date.
- Private equity investments are valued according to the most recent valuation obtained from the underlying manager at fair value adjusted for subsequent investments, redemptions, and significant changes in underlying market conditions through to balance date.
- Units in pooled superannuation trusts and unlisted managed investment schemes are valued at the redemption price at reporting date quoted by the investment managers which are based on the fair value of the underlying investments. Unit values denominated in foreign currency are translated to Australian dollars at the relevant exchange rates.

Derivative Financial Instruments

Derivative financial instruments including financial futures and forward exchange contracts, interest rate swaps, exchange traded and other options and forward rate agreements are recorded at mark to market basis at balance date using the most recent verifiable sources of market prices or generally accepted valuation principles.

(a) Recognition/ derecognition

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

Investments are derecognised where:

- i. the rights to receive cash flows from the asset have expired; or
- ii. the Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- iii. Either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Measurement

At initial recognition, the Fund measures financial assets and financial liabilities at their fair value. Transaction costs for financial assets and liabilities are recorded in the Income Statement.

After initial recognition, all financial assets and liabilities are measured at fair value. Gains and losses are presented in the Income Statement in the period in which they arise as net changes in fair value of financial instruments.

Receivables and financial liabilities (other than those classified at fair value through profit or loss) are measured initially at their fair value plus and directly attributable incremental costs of acquisition or issue.

For financial assets and liabilities where the fair value at initial recognition does not equal the transaction price, the Fund recognises the difference in the Income Statement, unless specified otherwise.

(e) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to cash, and subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents held by the Fund. Cash and cash equivalents held for investing activities is reported separately in Note 5.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Fund and can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Net gains/(losses) on financial investments held at fair value through profit or loss

Net gains and losses arise due to remeasurement changes in the fair value of investments are recognised as income in the Income Statement in the periods in which they occur. Net remeasurement changes in fair value are determined as the difference between the fair value at balance date or consideration received (if sold during the reporting period) and the fair value at the previous balance date or the cost (if the investment was acquired during the reporting period).

Interest income

Interest revenue from financial instruments that are held at fair value is determined based on the contractual coupon interest rate when the Fund obtains control of the right to receive interest and includes interest from cash and cash equivalents.

Dividend and trust distributions

Dividend income is recognised on the date the shares to which the dividend relates are quoted ex-dividend and if not received at reporting date, is reflected in the statement of financial position as a receivable at fair value. Distributions from managed investment schemes are recognised on the date the Fund becomes entitled to or is attributed the distribution. If not received at reporting date, the distribution receivable is reflected in the statement of financial position as a receivable at fair value.

(g) Member transactions

Contributions revenue and transfers in are recognised when the control and the benefits from the revenue have transferred to the Fund and is recognised gross of any taxes in the period to which they relate.

(h) Foreign Currency

Transactions in foreign currencies are translated at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance date are translated to Australian dollars at the exchange rate at balance date. Foreign exchange differences are recognised in the Income Statement.

(i) Income Tax

The Fund is a complying superannuation fund within the provisions of the Income Tax Assessment Act 1997 and accordingly the concessional tax rate of 15% has been applied on net investment earnings with deductions allowable for administrative and operational expenses. Financial investments held for less than 12 months are taxed at the Fund's rate of 15%. For financial investments held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

Current tax

Current tax is the expected tax payable or receivable on the estimated taxable income for the current year based on the applicable tax rate adjusted for instalment payments made to the ATO during the year and by changes in deferred tax assets and liabilities attributable to temporary differences.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the amounts used for taxation purposes. Deferred tax assets are recognised only when it is probable that future taxable amounts will be available to utilise temporary differences and losses.

Deferred tax liabilities are recognised for all taxable temporary differences except:

- Where the deferred tax liability arises from the recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Income Tax (continued)

The carrying amount of deferred tax assets is reviewed each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(j) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

(k) Receivables

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

(l) Financial Liabilities

The Fund recognises financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

Other payables are payable on demand or over short periods of no more than 60 days.

The Fund recognises financial liabilities at fair value through profit or loss as at the reporting date with any change in fair values since the beginning of the reporting period included in the Income Statement.

(m) Use of Estimates and Judgements

Significant accounting policies have been consistently applied in the current financial year and the comparative period, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting and taxation assumptions and estimates. It also requires the Trustee and management to exercise judgement in the process of applying the entity's accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. For some of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over the counter derivatives or unquoted securities, are fair valued using valuation techniques.

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 and in any future periods affected. There are no critical accounting estimates and judgements contained in these financial statements other than those used to determine the liability for accrued benefits (note 7(b)) and the valuation of Level 3 investments which are brought to account in the statement of financial position.

Derivative financial instruments including financial futures and forward exchange contracts, interest rate swaps, exchange traded and other options and forward rate agreements are recorded at mark to market basis at balance date using the most recent verifiable sources of market prices or generally accepted valuation principles.

(n) Structured Entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. This could be the case where voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

The Fund invests in structured entities for the purpose of capital appreciation.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The investee funds' objectives range from achieving medium to long term capital growth. The investee funds invest in different financial instruments, including equities and debt instruments. The size of a related investee fund is indicated by the net asset value of the fund per the investee funds' balance sheet. For unrelated funds, size is indicated by the carrying value of the Fund's investment as recognised in the Fund's statement of financial position as at reporting date as there is no other exposure to the Fund other than the carrying value of its investments.

(o) Assessment as Investment Entity

Entities that meet the definition of an investment entity within AASB10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investment on a fair value basis.

The Fund's product disclosure statement details its objective of providing services to members which includes investing in equities, fixed income securities and unit trusts for the purpose of returns in the form of investment income and capital appreciation.

The Fund reports to its members via an annual report, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent required by AASB1056 in the Fund's annual report. The Fund has a clearly documented exit strategy for all of its investments.

The Trustee has also concluded that the Fund meets the additional characteristics of an investment entity, in that it has more than one investment, the investments are predominantly in the form of equities and similar securities, it has more than one investor and its investors are not related parties.

The Trustee has therefore concluded that the Fund meets the definition of an investment entity. These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics changes.

(p) Direct property

Investments in direct property are measured initially at cost, including transaction costs.

Subsequent to initial recognition, direct property holdings are stated at fair value, which reflects market condition, at the reporting date. Gains or losses arising from changes in fair value of investment properties are recognised in the Income Statement in the period which they arise.

Direct property holdings are derecognised when they have been disposed of or when they are permanently withdrawn from use and no further economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Income Statement in the period of derecognition.

(q) Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars, unless otherwise indicated.

(r) Comparatives

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

3. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair Value Estimation

The carrying amounts of all the Fund's financial instruments at the balance date approximated their fair values. The major methods and assumptions used in determining fair value of financial instruments is disclosed in Note 2(d).

(b) Fair Value of Financial Instruments

The table on the following page analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (adjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), for substantially the full term of the financial instrument.
- Level 3: Inputs to the valuation methodology are valuation techniques using inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments. The quoted market price used for financial assets held by the Fund is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques (derivatives). The Fund uses widely recognised valuation models for determining the fair value of common and more simple financial instruments, such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange-traded derivatives, and simple OTC derivatives such as interest rate swaps. The availability of observable market prices and model inputs reduces the need for management judgement and estimation and reduces the uncertainty associated with the determination of fair market values. The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

The fair value of the Funds' indirectly held investments in unit trusts is measured at the value provided by the investment manager of the unit trust unless there is a specific and objectively verifiable reason to vary from the value provided by the manager. The Fund ensures that the valuation techniques used by managers are consistent with the Fund's valuation policy.

Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investments at fair value through profit or loss				
<i>Cash and interest bearing investments</i>	195,608	-	-	195,608
<i>Direct property</i>	-	-	6,500	6,500
<i>Unlisted Australian equities</i>	-	-	104,937	104,937
<i>Units in unit trusts</i>				
- Australian bonds	-	78,350	114,284	192,634
- International bonds	-	63,719	-	63,719
- Australian equities	-	561,554	-	561,554
- International equities	-	605,398	-	605,398
- Global credit	-	-	79,227	79,227
- Global infrastructure	-	-	93,556	93,556
- Australian property	-	-	536,568	536,568
- Private equity	-	110,710	-	110,710
<i>Limited partnerships</i>				
- Global credit	-	-	221,840	221,840
- Global infrastructure	-	-	92,360	92,360
- Private equity	-	-	44,047	44,047
<i>Derivatives</i>				
- Forward currency contracts	-	622,445	-	622,445
- Futures	-	-	-	-
	195,608	2,042,176	1,293,319	3,531,103

30 June 2023	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial liabilities at fair value through profit or loss				
<i>Derivatives</i>				
- Forward currency contracts	-	629,320	-	629,320
- Futures	-	-	-	-
	-	629,320	-	629,320

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2023	Unlisted unit trusts \$'000	Limited Partnerships \$'000	Direct Property \$'000	Unlisted Equities \$'000	Total \$'000
Opening balance	853,261	199,628	4,356	63,648	1,120,893
Purchases/(Sales)	(80,154)	134,034	-	1,702	55,582
Transfers between level 2 and level 3	-	-	-	-	-
Total gains/(losses)	50,527	24,585	2,144	39,588	116,844
Closing balance	823,634	358,247	6,500	104,938	1,293,319

Gains or losses on Level 3 investments included in the Income Statement are presented as net gains/(losses) on financial instruments held at fair value as follows:

	\$'000
Total gains included in Income Statement for the period	116,844
Total gains included in Income Statement for the period for assets held at the end of the reporting period	60,376

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Investments at fair value through profit or loss				
<i>Cash and interest bearing investments</i>	152,648	-	-	152,648
<i>Direct property</i>	-	-	4,356	4,356
<i>Unlisted Australian equities</i>	-	-	63,648	63,648
<i>Units in unit trusts</i>				
- Australian bonds	-	77,004	112,702	189,706
- International bonds	-	89,977	-	89,977
- Australian equities	-	481,261	-	481,261
- International equities	-	486,003	-	486,003
- Global credit	-	-	112,504	112,504
- Global infrastructure	-	-	116,979	116,979
- Australian property	-	-	511,076	511,076
- Private equity	-	135,163	-	135,163
<i>Limited partnerships</i>				
- Global credit	-	-	113,548	113,548
- Global infrastructure	-	-	71,149	71,149
- Private equity	-	-	14,931	14,931
<i>Derivatives</i>				
- Forward currency contracts	-	437,434	-	437,434
- Futures	-	-	-	-
	152,648	1,706,842	1,120,893	2,980,383

30 June 2022	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial liabilities at fair value through profit or loss				
<i>Derivatives</i>				
- Forward currency contracts	-	448,708	-	448,708
- Futures	-	-	-	-
	-	448,708	-	448,708

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2022	Unlisted unit trusts \$'000	Limited Partnerships \$'000	Direct Property \$'000	Unlisted Equities \$'000	Total \$'000
Opening balance	677,540	157,561	4,356	-	839,457
Purchases/(Sales)	111,931	21,889	-	63,922	197,742
Transfers between level 2 and level 3	-	-	-	-	-
Total gains/(losses)	63,790	20,178	-	(274)	83,694
Closing balance	853,261	199,628	4,356	63,648	1,120,893

Gains or losses on Level 3 investments included in the Income Statement are presented as net gains/(losses) on financial instruments held at fair value as follows:

	\$'000
Total gains included in Income Statement for the period	83,694
Total gains included in Income Statement for the period for assets held at the end of the reporting period	56,399

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Valuation inputs and relationships to fair value

The Fund's level 3 investments predominantly comprise of interests in unlisted funds which hold illiquid investments such as unlisted property and private equity. These investments are managed by external investment managers and are not actively traded in public markets.

The Fund generally values these investments using the valuation provided by the external investment manager. As the underlying interests in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and the interest are therefore classified as Level 3 investments.

The Fund reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

The COVID-19 pandemic and the war in Ukraine continue to have a significant impact on the general business environment and financial markets. The Trustee's evaluation of Level 3 investment valuations has included further consideration relating to the economic implications of these events and the measures taken to contain them. For certain investments the Trustee acknowledges that current valuations are subject to 'material valuation uncertainty' as a consequence of this.

The valuation of the Fund's Level 3 investments is based on data available at the time of the relevant valuation, which may change as circumstances and events continue to unfold. The Fund's Level 3 investment valuations will be updated as and when new information becomes available and will be reflected in future accounting periods.

The following table summarises the quantitative information about the significant unobservable inputs used for the Fund in level 3 fair value measurements. The range of inputs shown below are provided by the underlying investment managers and are derived based on the nature of the underlying level 3 asset exposure.

30 June 2023

Description	Fair value at 30 June \$'000	Unobservable inputs	Range of inputs	Sensitivity of unobservable inputs to fair value
Australian bonds	114,284	Discount rate on cashflow	3.75% - 9% (WA:5.5%)	A favourable/unfavourable discount rate would increase/decrease fair value by +/- 0.5% \$571,421
Global credit	301,066	Discount rate on cashflow	5%-15% (WA: 8%)	A favourable/unfavourable discount rate would increase/decrease fair value by +/- 0.5% \$1,505,332
Global infrastructure	185,917	Average EBITDA	7x – 14x (WA:10x)	A favourable/unfavourable EBITDA would increase/decrease fair value by +/- 10% \$18,591,658
Australian property	543,068	Discount rate on net asset value	5.5%-8.25% (WA:6.5%)	A favourable/unfavourable discount rate would increase/decrease fair value by +/- 0.5% \$2,715,339
Private equity	148,984	Average EBITDA	7x – 14x (WA:10x)	A favourable/unfavourable EBITDA would increase/decrease fair value by +/- 10% \$14,898,391

(a) The range of inputs related to the Unit Price are not disclosed as the number of unlisted equities, private equity partnerships, unlisted property unit trusts and opportunistic growth alternatives results in a wide range of unrelated inputs.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

3. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

30 June 2022

Description	Fair value at 30 June \$'000	Unobservable inputs	Range of inputs	Sensitivity of unobservable inputs to fair value
Australian bonds	112,702	Discount rate on cashflow	3.75% - 9% (WA:5.5%)	A favourable/unfavourable discount rate would increase/decrease fair value by +/- 0.5% \$563,510
Global credit	226,052	Discount rate on cashflow	5%-15% (WA: 8%)	A favourable/unfavourable discount rate would increase/decrease fair value by +/- 0.5% \$1,130,260
Global infrastructure	188,128	Average EBITDA	7x – 14x (WA:10x)	A favourable/unfavourable EBITDA would increase/decrease fair value by +/- 10% \$18,812,800
Australian property	515,432	Discount rate on net asset value	5.5%-8.25% (WA:6.5%)	A favourable/unfavourable discount rate would increase/decrease fair value by +/- 0.5% \$2,577,159
Private equity	78,579	Average EBITDA	7x – 14x (WA:10x)	A favourable/unfavourable EBITDA would increase/decrease fair value by +/- 10% \$7,857,728

Valuation Process

Valuations are the responsibility of the board of directors of the Trustee. The valuation of unlisted managed investment schemes are performed on a monthly basis by the valuation department of the investment manager and reviewed by the Fund's asset consultant. The valuations are also subject to quality assurance procedures performed within the Fund's asset consultant either on a monthly or six monthly basis depending on the timing of investment valuations. If fair value changes (positive or negative) are more than certain thresholds set, the changes are advised by the asset consultant for further consideration by the Fund. There were no changes in valuation techniques during the year.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT

The Fund's investment managers expose the Fund to derivatives as part of the investment portfolios they manage.

Custodian

National Australia Bank Limited is the principal custodian and holds most of the assets, other than the Fund's operating bank account, as the custodian for the Fund.

Each investment manager is required to invest the assets managed by it in accordance with the terms of a written investment mandate.

The Trustee has determined that the appointment of these managers is appropriate for the Fund and is in accordance with the Fund's investment strategy.

The Trustee obtains regular reports from each investment manager and from the appointed asset consultant on the nature of the investments made on its behalf and the associated risks.

The Fund's assets principally consist of financial instruments which comprise units in unlisted trusts, unlisted securities and derivative financial instruments. It holds these investment assets in accordance with the Trustee's published investment policy statement.

The allocation of assets between the various types of financial instruments is determined by the Trustee who manages the Fund's portfolio of assets to achieve the Fund's investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Fund on at least a quarterly basis.

The Fund's investing activities expose it to the following risks from its use of financial instruments:

- market risk
- credit risk
- liquidity risk

The nature and extent of the financial instruments employed by the Fund are discussed below. This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

The Trustee of the Fund has overall responsibility for the establishment and oversight of the Fund's risk management framework.

The Trustee is responsible for developing and monitoring the Fund's risk management policies, including those related to its investment activities. The Fund's risk management policies are established to identify and analyse the risks faced by the Fund, including those risks managed by the Fund's investment managers, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Fund's activities.

The Trustee receives periodical reports from the Fund's Asset Consultant and management to monitor compliance with the Fund's investment policy statement.

The Trustee's Risk, Audit & Compliance Committee oversees how management monitors compliance with the Fund's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Fund.

Measurement

The assets and liabilities of the Fund are recognised at fair value as at reporting date. Changes in fair value are recognised through the Income Statement.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Fund's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund is exposed to currency risk on financial instruments, receivables and liabilities that are denominated in a currency other than the respective functional currency (Australian Dollars) of the Fund. The Fund also invests in Australian domiciled unit trusts where the underlying investments are in overseas assets.

The Fund's strategy on the management of currency risk is driven by the Fund's investment objectives. The Fund's currency risk is managed on a regular basis by the Fund's internal investment function with advice from the external asset consultant.

The Fund may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency. Consequently, the Fund is exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Fund's assets or liabilities denominated in currencies other than the Australian Dollar.

The Fund's major exposure to fluctuations in foreign currency exchange rates through its monetary assets and derivative positions at the balance date was as follows:

	Notional Value 2023 \$'000	Notional Value 2022 \$'000
Assets		
USD	325,631	187,351
EUR	127,942	150,158
GBP	276	486
JPY	-	743
Other	370	1,144
Liabilities		
USD	441,951	257,990
EUR	146,886	153,982
GBP	6,213	4,302
JPY	9,043	6,019
Other	8,963	6,624

Sensitivity analysis

The Trustee has determined that the reasonably possible change for all currencies is 10% (2022: 10%).

An appreciation of foreign currencies of 10% (2022: 10%) against the AUD would decrease the Fund's net assets available for member benefits by \$14.4 million (2022: \$8.1 million) and a depreciation of 10% (2022: 10%) would increase the assets of the Fund by \$14.4 million (2022: \$8.1 million).

The analysis for 2023 was performed on the same basis as 2022.

Cash flow and fair value interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed interest rates expose the Fund to fair value interest rate risk.

The majority of the Fund's financial assets comprise non-interest-bearing and interest rate financial instruments. Interest-bearing financial assets and interest-bearing financial liabilities mature or re-price due to market changes. As a result, the Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The Fund has some direct interest rate risk through its investments in bond and bank bill futures contracts. The Fund also invests in Australian domiciled unit trusts where the underlying investments are in fixed interest securities.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Fund's direct exposure to interest rate risk including the Fund's use of interest rate swap contracts which are used to manage exposure to interest rate risk.

30 June 2023	Floating Interest rate \$'000	Fixed Interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash & cash equivalents	16,604	-	-	16,604
Due from managers	-	-	1,994	1,994
Other financial assets	-	749,636	-	749,636
Financial liabilities				
Due to managers	-	-	(15)	(15)
Net exposure interest rate risk	16,604	749,636	1,979	768,219

30 June 2022	Floating Interest rate \$'000	Fixed Interest rate \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets				
Cash & cash equivalents	13,956	-	-	13,956
Due from managers	-	-	5,510	5,510
Other financial assets	-	654,681	-	654,681
Financial liabilities				
Due to managers	-	-	(32)	(32)
Net exposure interest rate risk	13,956	654,681	5,478	674,115

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis (continued)

The Trustee has determined that a reasonably possible change in variable interest rates for the coming year is -100 basis points to +100 basis points (2022: -100 to +100 basis points).

30 June 2023

Interest Rate Exposure	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income superannuation activities after tax \$'000	Max net income superannuation activities after tax \$'000
Floating Interest Rate	(1.00%)	1.00%	(166)	166
Fixed Interest Rate	(1.00%)	1.00%	(7,496)	7,496

30 June 2022

Interest Rate Exposure	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income superannuation activities after tax \$'000	Max net income superannuation activities after tax \$'000
Floating Interest Rate	(1.00%)	1.00%	(140)	140
Fixed Interest Rate	(1.00%)	1.00%	(6,547)	6,547

As the interest rate on the Fund's bank account is a floating rate and varies with market interest rates, any change in interest rates will have no impact on the valuation of the account. The amount of interest the Fund receives after interest rate changes is dependent on the Fund's bank balance in the future. As any increase or decrease in interest likely to be received is immaterial, a sensitivity analysis was not performed in relation to changes in bank account interest.

Other market price risk

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

As the Fund's financial instruments are valued at fair value with changes in fair value recognised in the Income Statement, all changes in market conditions will directly affect investment revenue.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Sensitivity analysis (continued)

The Trustee determined after advice from the Fund's investment consultant, to use volatility risk factors which reflect a reasonably possible change for the Fund's return on investments. The following tables illustrate the effect on change in net assets after tax and net assets available to pay benefits from possible changes in the volatility factors. Volatility risk factors are only applied to the investments whose market value will be affected by market and economic conditions. The reasonably possible change for fixed interest securities is detailed in the interest rate risk section.

30 June 2023

Asset Class	Benchmark	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income from superannuation activities after tax \$'000	Max net income from superannuation after tax \$'000
Cash and interest bearing investments	Bloomberg Ausbond Bank Bill Index	10%	(10%)	19,561	(19,561)
Global Credit	3 Month AUD Bank Bill + 4%	10%	(10%)	30,107	(30,107)
Australian bonds	Bloomberg AusBond Composite 0+ Yr Index	10%	(10%)	19,263	(19,263)
International bonds	Bloomberg Barclays Global Aggregate Index (Hedged AUD)	10%	(10%)	6,372	(6,372)
Australian shares	S&P ASX300 Accumulation Index	10%	(10%)	56,155	(56,155)
International shares	100%MSCI AC World ex Aust Net Divs in AUD+100%NAB Currency Overlay (Gross)	10%	(10%)	60,540	(60,540)
Global Infrastructure	MSCI AC World ex Australia Index (Net Divs, Hedged in AUD)	10%	(10%)	18,591	(18,591)
Australian property	MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index	10%	(10%)	54,307	(54,307)
Private equity	MSCI AC World ex Australia Index (Net Divs, Hedged in AUD)	10%	(10%)	26,107	(26,107)

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

30 June 2022

Asset Class	Benchmark	Volatility Minimum Risk Factor	Volatility Maximum Risk Factor	Min net income from superannuation activities after tax \$'000	Max net income from superannuation after tax \$'000
Cash and interest bearing investments	Bloomberg Ausbond Bank Bill Index	10%	(10%)	15,265	(15,265)
Global Credit	3 Month AUD Bank Bill + 4%	10%	(10%)	11,249	(11,249)
Australian bonds	Bloomberg AusBond Composite 0+ Yr Index	10%	(10%)	18,971	(18,971)
International bonds	Bloomberg Barclays Global Aggregate Index (Hedged AUD)	10%	(10%)	8,998	(8,998)
Australian shares	S&P ASX300 Accumulation Index	10%	(10%)	48,126	(48,126)
International shares	100%MSCI AC World ex Aust Net Divs in AUD+100%NAB Currency Overlay (Gross)	10%	(10%)	59,956	(59,956)
Global Infrastructure	MSCI AC World ex Australia Index (Net Divs, Hedged in AUD)	10%	(10%)	23,059	(23,059)
Australian property	MSCI/Mercer Australia Core Wholesale Monthly Property Fund Index	10%	(10%)	47,163	(47,163)
Private equity	MSCI AC World ex Australia Index (Net Divs, Hedged in AUD)	10%	(10%)	21,509	(21,509)

Unusually large market shocks may result from changes in the performance of the economies, markets and securities in which the underlying trusts invest. As a result, historic variations in rates of return are not a definitive indicator of future variations in rates of return.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

The fair value of financial assets included in the statement of financial position represents the Fund's maximum exposure to credit risk in relation to those assets. The Fund does not hold fixed interest securities directly. The Fund does not have any significant exposure to any individual counterparty or industry.

Currently, cash not invested in a trust is held either with:

- (a) NAB which has an Aa2 rating as reported by Moody's; or
- (b) the Westpac Operational Bank Account which has an Aa2 rating as reported by Moody's; or
- (c) Term Deposits from 30 days to 12 months (with a rating of BBB+ or higher) as reported by Standard & Poor's.

The Fund does not have any assets which are past due or impaired.

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they fall due. The Fund's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its payment of benefits to members and liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Fund's reputation.

The Fund's liquidity position is monitored on a weekly basis. The Fund's cash and liquidity policy is to have sufficient cash balances to meet anticipated weekly benefit payments, Fund expenses plus investing activities.

The following tables summarise the expected maturity profile of the Fund's financial liabilities based on the earliest date on which the Fund can be required to pay. The table includes gross settled derivative financial liabilities (i.e. foreign exchange contracts) into relevant maturity groupings based on the remaining period to the contractual maturity date at balance date. The amounts in the table are the contractual undiscounted cash flows.

30 June 2023	Less than 1 month \$'000	1+ Month \$'000	Total Contractual Cash Flows \$'000	Carrying Amount (Asset)/Liabilities \$'000
Foreign exchange contracts	6,875	-	6,875	6,875
Employee entitlements, creditors & accruals	2,622	-	2,622	2,622
Current tax liabilities	6,729	808	7,537	7,537
Member benefits	2,872,592	-	2,872,592	2,872,592
Total	2,888,818	808	2,889,626	2,889,626

30 June 2022	Less than 1 month \$'000	1+ Month \$'000	Total Contractual Cash Flows \$'000	Carrying Amount (Asset)/Liabilities \$'000
Foreign exchange contracts	11,274	-	11,274	11,274
Employee entitlements, creditors & accruals	2,746	-	2,746	2,746
Current tax liabilities	2,420	8,781	11,201	11,201
Member benefits	2,527,460	-	2,527,460	2,527,460
Total	2,543,900	8,781	2,552,681	2,552,681

Vested benefits have been included in the less than 3 months column, as this is the amount that members could call upon as at year-end. This is the earliest date on which the Fund can be required to pay members' vested benefits, however, members may not necessarily call upon amounts vested to them during this time.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

5. INVESTMENT PORTFOLIO BY INVESTMENT TYPE

	2023 \$'000	2022 \$'000
Cash and interest bearing investments	195,608	152,648
Direct property	6,500	4,356
Unlisted Australian equities	104,937	63,648
Units in unit trusts	2,243,366	2,122,669
Limited partnerships	358,247	199,627
	<hr/>	<hr/>
TOTAL INVESTMENT PORTFOLIO	2,908,658	2,542,948
	<hr/>	<hr/>

6. INVESTMENT INCOME BY TYPE

	2023 \$'000	2022 \$'000
Interest	5,347	488
Dividends and distributions	133,481	99,573
Fee rebates	649	1,102
	<hr/>	<hr/>
	139,477	101,163
	<hr/>	<hr/>

7. MEMBER LIABILITIES

The entitlements of members to benefit payments are recognised as liabilities. They are measured at the amount of the accrued benefits as at the reporting date, being the benefits that the Fund is presently obliged to transfer to members or their beneficiaries in the future as a result of the membership up to the end of the reporting period.

Obligations relating to member entitlements are recognised as member liabilities. Defined contribution member liabilities are measured as the amount of member account balances as at reporting date.

Vested benefits are benefits that are not conditional upon continued membership of the Fund (or any factor other than resignation from the Fund) and include benefits which members were entitled to receive had they terminated their Fund membership as at the reporting date. At the end of the period the defined contribution member liabilities which represent the vested benefits for those members are as follows:

	2023 \$'000	2022 \$'000
Vested Benefits	2,872,592	2,527,460
	<hr/>	<hr/>

Defined contribution members bear the investment risk relating to the underlying assets of the Fund.

During the year ended 30 June 2023, the employers contributed to the Fund on behalf of members as part of the Trust Deed, Award and Superannuation Guarantee Charge of 10.5% (2022: 10.0%). Member and additional employer contributions are paid to the Fund at a rate determined by the member and/or employer.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

8. RESERVES

(a) Operational Risk Reserve (ORR)

Under APRA prudential Standard SPS 114: *Operational Risk Financial Requirements*, the Fund is required to maintain a reserve of at least 0.25% of the fund's net assets for operational risk events. The ORR is part of the financial management of the Fund and is operated in accordance with the Reserving Policy. The ORR may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

(b) Insurance Reserve

The insurance reserve is maintained to cover any timing differences between benefits being paid and proceeds being recovered from the insurer.

(c) Administration Reserve

The trustee operating account/admin reserve is maintained in accordance with the trust deed and is used to fund the operating expenses as they arise.

(d) Investment and Tax Reserve

The investment and tax reserve is maintained for the purpose of accumulating the investment earnings for the Fund's asset prior to allocation to member accounts as well as reflecting tax obligations that arise from operating and investing activities.

9. INSURANCE ARRANGEMENTS

The Trustee has policies in place with a third-party insurer to provide Life and Disablement and Income Protection insurance for its members.

The Fund collects premiums from members in accordance with the premium rates agreed in the insurance policies plus an insurance fee (currently 15% of the premiums collected). The insurance fee is used to pay the operating expenses of the Fund relating to insurance and is therefore recognised as an inflow to the trustee operating account.

Insurance claims are recognised as payable only when the insurer has agreed to pay the claim. Insurance proceeds are not revenues and premiums are not expenses of the Fund and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to member accounts and insurance proceeds recovered (claims paid) are recognised as member transactions in the statement of changes in members benefits.

The Trustee determined that the Fund is not exposed to material insurance risk because:

- members (or their beneficiaries) will only receive insurance benefits if the external insurer approves and pays the claim;
- insurance premiums are set by the external insurer; and
- insurance premiums are collected and paid through the Fund for administrative reasons only.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

10. DIRECT INVESTMENT EXPENSES

	2023	2022
	\$'000	\$'000
Custodian fees	312	375
Management expenses	1,688	3,389
	<hr/>	<hr/>
	2,000	3,764
	<hr/>	<hr/>

11. OPERATING EXPENSES

	2023	2022
	\$'000	\$'000
ASIC, APRA & AFCA levies	295	243
Professional services	1,172	1,350
Marketing	400	415
Staff costs	3,587	2,814
Office expenses	476	444
Trustee fees and expenses	614	544
	<hr/>	<hr/>
	6,544	5,810
	<hr/>	<hr/>

12. TAXATION

	2023	2022
	\$'000	\$'000

(a) Recognised in the Income Statement

Current tax expense		
- Current tax charge	(1,500)	19,704
- Adjustment to current tax for prior period	248	(814)
Deferred tax expense		
- Movement in temporary differences	22,688	(31,567)
	<hr/>	<hr/>
Income tax expense/(benefit)	21,436	(12,677)
	<hr/>	<hr/>

(b) Numerical reconciliation between tax expense and profit before income tax

Net income superannuation activities	305,845	(39,753)
	<hr/>	<hr/>
Tax applicable at the rate of 15% (2022 15%)	45,877	(5,963)
Tax effect of adjustments		
- Investments	(11,598)	6,956
- Imputation & foreign tax credits	(8,957)	(10,309)
- Exempt pension income	(1,658)	(76)
- Deduction for insurance premiums	(2,476)	(2,375)
- Under/(over) provision prior period	248	(910)
	<hr/>	<hr/>
Income tax expense/(benefit)	21,436	(12,677)
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

12. TAXATION (CONTINUED)

	2023 \$'000	2022 \$'000
(c) Recognised in the statement of changes in members benefits		
Contributions and transfers in recognised in the statement of changes in members benefits	275,238	242,792
Tax applicable at the rate of 15% (2022 15%)	41,286	36,419
Tax effect of adjustments		
- Non assessable contributions and transfers in	(6,384)	(7,238)
- Over provision prior periods	106	96
Income tax expense	35,008	29,277
(d) Current tax liabilities		
Balance at beginning of year	11,201	10,953
Income tax paid – current period	(25,894)	(37,780)
Income tax paid – prior period	(11,475)	(10,138)
Current year income tax provision	33,403	48,980
Under / (over) provision prior period	302	(814)
	7,537	11,201
(e) Deferred tax assets and liabilities		
Deferred tax assets		
Accrued expenses	414	343
Deferred tax liabilities		
Unrealised loss on foreign exchange contracts	(961)	(1,695)
Unrealised capital losses/(gains) (discounted)	25,090	3,014
	24,129	1,319
	23,715	976

AMIST SUPER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

13. RECEIVABLES

	2023	2022
	\$'000	\$'000
GST receivable	22	76
Investment income receivable	1,994	2,659
Unsettled investment sales	-	2,851
Other receivables	22	384
	<hr/>	<hr/>
TOTAL RECEIVABLES	2,038	5,970
	<hr/>	<hr/>

14. CREDITORS AND ACCRUALS

	2023	2022
	\$'000	\$'000
Administration fees	336	354
Group life and salary continuance premiums	1,346	1,103
Other payables	398	352
Payable for securities purchased	15	32
Unallocated contributions	99	492
Payable to related entities	-	8
	<hr/>	<hr/>
TOTAL CREDITORS AND ACCRUALS	2,194	2,341
	<hr/>	<hr/>

15. EMPLOYEE ENTITLEMENTS

	2023	2022
	\$'000	\$'000
Short-term benefits	252	209
Long service leave entitlements	176	196
	<hr/>	<hr/>
TOTAL EMPLOYEE ENTITLEMENTS	428	405
	<hr/>	<hr/>

AMIST SUPER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

16. CASH FLOW INFORMATION

	2023 \$'000	2022 \$'000
(a) Reconciliation of Net Cash provided by Superannuation Activities to Net Profit After Tax		
Operating result after income tax	4,772	(2,437)
Interest on investments reinvested	(5,009)	(484)
Dividends and distributions reinvested	(133,481)	(99,573)
Changes in fair value of assets	(174,579)	128,909
Fee rebates reinvested	(649)	(1,102)
Investment fees paid from investment portfolios	1,032	3,533
Depreciation	(30)	58
Net benefits allocated to members' accounts	279,637	(24,639)
Insurance proceeds and premiums	(5,971)	(7,451)
(Increase)/Decrease in receivables	416	(324)
Increase/(Decrease) in creditors and accruals	21	(478)
Increase/(Decrease) in employee benefits	23	84
Increase/(Decrease) in current tax liabilities	(3,664)	248
Increase/(Decrease) in deferred tax liabilities	22,739	(31,566)
NET CASH FLOWS PROVIDED BY/(USED IN) SUPERANNUATION ACTIVITIES	(14,743)	(35,222)
(b) Reconciliation of Cash		
Cash at bank	16,604	13,956
TOTAL CASH AND CASH EQUIVALENTS	16,604	13,956

AMIST SUPER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

17. AUDITOR'S REMUNERATION

	2023 \$	2022 \$
Amounts paid or due and payable to Ernst & Young for audit and other services for the Fund:		
• Audit services	135,485	116,922
• Taxation services	104,638	21,368
	<hr/>	<hr/>
TOTAL AUDITOR'S REMUNERATION	240,122	138,290
	<hr/>	<hr/>

18. RELATED PARTIES

(a) Trustee

The Trustee of the Fund is Australian Meat Industry Superannuation Pty Limited. The following people were directors of the Trustee during and since the end of the financial year:

Directors
Gregg Camm (Independent Director and Chair)
Grant Courtney
Frank Raeside
Gary Hardwick
Geoff Yarham
Noel Kelson
Kerry Johnson

The Directors of the trustee company who are members of the Fund contribute on the same terms and conditions as other members.

(b) Key Management Personnel Remuneration

The following key management personnel had authority and responsibility for planning, directing, and controlling the activities of the Fund.

Murray Rutherford Chief Executive Officer and Chief Investment Officer

The remuneration of directors and other key management personnel are reviewed on an annual basis and approved by the Board. Remuneration is reviewed and determined with regard to current market rates and is benchmarked against comparable industry data. In the case of directors, fees are either paid to the directors or to the employer of the director. Key management personnel compensation (including Directors) in relation to services to the Fund was as follows:

	2023 \$'000	2022 \$'000
Short-term benefits	759	737
Long service leave entitlements	58	55
	<hr/>	<hr/>
	817	792
	<hr/>	<hr/>

(c) Other Related Entities - transactions

Australian Meat Industry Superannuation Pty Limited is the Trustee of the Fund. The Fund paid \$132,379 (2022: \$471,327) in trustee fee for service rendered to the Fund.

AMIST SUPER

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

19. CAPITAL COMMITMENTS

As at 30 June 2023 the Fund had uncalled capital commitments of \$110.6m (2022: Nil)

20. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

The Fund has controlling interest in the following unconsolidated structured entities. The Fund accounts for the movements in its investments in unconsolidated structured entities through the Income Statement.

College Circle Creamery Holdings LLC	91%
Hunter Bay Silicia Pty Ltd	50%

In February 2023, the Fund issued convertible notes of USD \$2.5million to College Circle Creamery LLC, a wholly owned subsidiary of College Circle Creamery Holdings LLC. The note attract interest at 8%pa compound quarterly. At 30 June 2023, the value of the notes was USD \$2,573,895 (AUD \$3,866,739).

The Fund has provided to advance convertible notes of \$4million to Hunter Bay Silica Pty Ltd and as at 30 June 2023 there have been no subscription notices issued.

During the year the Chief Executive Officer of AMIST Super, Murray Rutherford, was a Director for the following entities:

College Circle Creamery Holdings LLC
College Circle Creamery LLC
Hunter Bay Silicia Pty Ltd
FIFE AMI Pty Ltd
Next Green Group Pty Ltd
SPC Global Ltd

21. SUBSEQUENT EVENTS

There have been no events subsequent to balance date, which would have a material effect on the Fund's financial statements at 30 June 2023.

AMIST SUPER

STATEMENT BY TRUSTEE

In the opinion of the Trustee

- (a) the accompanying financial statements and notes set out on pages 2 to 31:
 - (i) are in accordance with Australian Accounting Standards and other mandatory professional reporting requirements; and
 - (ii) present fairly the Fund's financial position as at 30 June 2023 and its performance for the year ended on that date; and
- (b) the Fund has been conducted in accordance with the provisions of the Trust Deed and in compliance with the requirements of the Superannuation Industry (Supervision) Act 1993, and Regulations, the Corporations Act 2001, Regulations and Guidelines and Section 13 of the Financial Sector (Collection of Data) Act 2001 during the year ended 30 June 2023; and
- (c) There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Trustee


.....
Director


.....
Director

Signed at this 26th day of September 2023.



**Building a better
working world**

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Part 1 - Independent Auditor's report on financial statements

Independent Auditor's report approved form for an RSE which is a reporting entity

Australian Meat Industry Superannuation Trust (ABN 28 342 064 803)

Report by the RSE Auditor to the trustees and members

Opinion

I have audited the financial statements of the Australian Meat Industry Superannuation Trust for the year ended 30 June 2023 comprising the statement of financial position, income statement, statement of changes in member benefits, statement of cash flow and statement of changes in reserves.

In my opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of Australian Meat Industry Superannuation Trust as at 30 June 2023 and the results of its operations, cash flows, changes in reserves and changes in members' benefits for the year ended 30 June 2023.

Basis for Opinion

I conducted the audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section of my report. I am independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the financial statements in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the trustee for the Financial Statements

The RSE's trustee is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the requirements of the Superannuation Industry (Supervision) Act 1993 (SIS Act) and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations). The trustee is also responsible for such internal control as the trustee determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the ability of the RSE to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the RSE or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that

includes my 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 these financial statements.

As part of an audit in accordance with the Australian Auditing Standards, I exercised professional judgment and maintained professional scepticism throughout the audit. I also:

- Identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for my 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.
- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the RSE's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustee.
- Concluded on the appropriateness of the trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the RSE's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my auditor opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the RSE to cease to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicated with the trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identified during my audit.



Louise Burns
Partner
Ernst & Young
Sydney

26 September 2023