abrdn Global Corporate Bond Fund

ARSN 125896184

Annual Financial Report

For the year ended 30 June 2024

abrdn.com

abrdn Global Corporate Bond Fund

ARSN 125 896 184

Annual financial report
For the year ended 30 June 2024

Contents **Page**

Directors' report

The directors of Melbourne Securities Corporation Limited (ACN 160 326 545, AFSL 428 289), (the "Responsible Entity") of abrdn Global Corporate Bond Fund (the "Scheme"), present their report together with the financial statements of the Scheme for the year ended 30 June 2024 and the auditor's report thereon.

Responsible Entity

On 1 July 2023 the Responsible Entity was re-named from abrdn Australia Ltd to MSC Australia Limited (ABN 59 002 123 364) which was subsequently replaced by Melbourne Securities Corporation Limited with effect from 11 October 2023.

The registered office and principal place of business of the Responsible Entity and the Scheme is Level 2, 395 Collins Street, Melbourne VIC 3000.

The directors of the Retired Responsible Entity during the period 1 July 2023 to 10 October 2023 were as follows:

Steven O'Connell	(appointed 1 July 2023)
Ruth McClelland	(appointed 1 July 2023)
Matthew Fletcher	(appointed 1 July 2023)

The directors of Melbourne Securities Corporation Limited during the period 11 October 2023 to date of this report were as follows:

Michael Fleming
Matthew Fletcher
Steven O'Connell
Ruth McClelland
Shelley Brown

Principal activities

The Scheme is a registered managed investment scheme domiciled in Australia.

The Scheme aims to provide long term growth and outperform the Bloomberg Global Aggregate Corporate Index Hedged in Australian dollars over rolling 3 year periods (before deduction of fees, costs and taxation) by investing predominantly in global investment grade bonds in accordance with the provisions of the Scheme's Constitution.

The Scheme did not have any employees during the year.

There were no significant changes in the nature of the Scheme's activities during the year.

Directors' report (continued)

Review and results of operations

Results

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

	Year ended	
	30 June 2024	30 June 2023
Operating profit/(loss) ($'000)	**10,863**	388

Distributions

There were no distributions paid/payable for the years ended 30 June 2024 and 30 June 2023.

Interests of the Responsible Entity

The following fees were paid and payable to the Responsible Entity from the Scheme during the financial year.

	Year ended	
	30 June 2024	30 June 2023
	$'000	$'000
Management fees paid and payable by the Scheme	**1,201**	1,176

Valuation of assets

	As at	
	30 June 2024	30 June 2023
	$'000	$'000
Value of total Scheme assets as at 30 June	**251,119**	243,030

The basis for valuation of the Scheme's assets is disclosed in Note 2, Note 3 and Note 5 to the financial statements.

Directors' report (continued)

Significant changes in the state of affairs

On 1 July 2023 the Responsible Entity was re-named from abrdn Australia Ltd to MSC Australia Limited (ABN 59 002 123 364) which was subsequently replaced by Melbourne Securities Corporation Limited with effect from 11 October 2023.

While geopolitical events have caused uncertainty and market volatility during the prior period, the Responsible Entity has continued to follow its established policies and process in managing risk and determining the fair value of the financial assets and liabilities as at reporting date. No changes were required to the principles used in applying the fair value measurement hierarchy to financial assets and liabilities held. Financial assets and liabilities continue to be classified in a manner which reflects the significance and observability of the inputs used in their valuation.

Market disruptions associated with current geopolitical events have had a global impact, and uncertainty exists as to their implications. Such disruptions can be adversely affect assets and performance of the Scheme.

In the opinion of the Responsible Entity, there were no other significant changes in the state of affairs of the Scheme that occurred during the financial year.

Matters subsequent to the end of the financial year

Since the balance sheet date, the associated economic impacts of geopolitical events remain uncertain. As the investments are measured at their 30 June 2024 fair values in the financial report, any volatility in values subsequent to the reporting date are not reflected in the statement of comprehensive income or the statement of financial position.

However, the current value of investments has been reflected in the current unit price.

There has been no other matter or circumstance since 30 June 2024 that has significantly affected, or may significantly affect:

(i) the operations of the Scheme in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Scheme in future financial years.

Likely developments and expected results of operations

The Scheme will continue to pursue its policy of increasing returns through active investment selection.

The results of the Scheme's operations may be affected by a number of factors, including the performance of investment markets in which the Scheme invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Indemnity and insurance premiums of officers and auditors

Indemnity
Since the end of the previous financial year the Scheme has not been indemnified or made a relevant agreement for indemnifying against a liability, any person who is or has been an officer of the Responsible Entity or an auditor of the Scheme.

Insurance Premiums
During the financial year, the Responsible Entity paid a premium under a contract insuring each director of the Scheme against liability incurred in their respective capacities. Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause as stated in the insurance contract. The Responsible Entity has not provided any insurance to a related corporate body or to an auditor of the Scheme.

Environmental regulation

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

Directors' report (continued)

Rounding of amounts to the nearest thousand dollars

The Scheme is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

The lead auditor's independence declaration is set out on page 6 and forms part of the Director's report for the year ended 30 June 2024.

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

Shelley Brown
Director

19 September 2024

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Melbourne Securities Corporation Limited, the Responsible Entity for the abrdn Global Corporate Bond Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of abrdn Global Corporate Bond Fund for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrew Reeves

Partner

Sydney

19 September 2024

Statement of comprehensive income

	Notes	Year ended 30 June 2024 $'000	30 June 2023 $'000
Investment income			
Interest income		**10,207**	8,471
Net gains/(losses) on financial instruments at fair value through profit or loss	6	**4,558**	(6,936)
Net foreign exchange gains/(losses)		**(2,616)**	(18)
Other operating income		**9**	55
Total net investment gain		**12,158**	1,572
Expenses			
Management fees	17	**1,201**	1,176
Transaction costs		**18**	6
Withholding tax expense		**72**	1
Other operating expenses		**4**	1
Total operating expenses		**1,295**	1,184
Profit/(loss) from operating activities		**10,863**	388
Finance costs			
Distributions to unitholders	11	**–**	–
Change in net assets attributable to unitholders	10	**(10,863)**	(388)
Profit/(loss)		**–**	–
Other comprehensive income		**–**	–
Total comprehensive income		**–**	–

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

Statement of financial position

	Notes	As at 30 June 2024 $'000	As at 30 June 2023 $'000
Assets			
Cash and cash equivalents	12	**3,474**	3,993
Margin accounts		**423**	594
Receivables	15	**2,963**	2,528
Balances due from brokers		**3,087**	1,580
Financial assets at fair value through profit or loss	7	**241,172**	234,335
Total assets		**251,119**	243,030
Liabilities			
Payables	16	**300**	198
Balances due to brokers		**2,287**	2,451
Financial liabilities at fair value through profit or loss	8	**190**	3,174
Total liabilities (excluding net assets attributable to unitholders)		**2,777**	5,823
Net assets attributable to unitholders - liability	10	**248,342**	237,207

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

Statement of changes in equity

For the year ended 30 June 2024

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

Statement of cash flows

	Notes	Year ended 30 June 2024 $'000	30 June 2023 $'000
Cash flows from operating activities			
Proceeds from sale of financial instruments		**252,478**	204,426
Payments for purchase of financial instruments		**(261,864)**	(218,193)
Interest received		**9,799**	7,850
GST received		**73**	109
Management fees paid		**(1,199)**	(1,175)
Transaction costs paid		**(18)**	(6)
Other income received		**9**	53
Other operating expenses paid		**(76)**	–
Net cash inflow/(outflow) from operating activities	13(a)	**(798)**	(6,936)
Cash flows from financing activities			
Proceeds from applications by unitholders		**681**	753
Payments for redemptions by unitholders		**(409)**	(438)
Distributions paid		**–**	(3)
Net cash inflow/(outflow) from financing activities		**272**	312
Net increase/(decrease) in cash and cash equivalents		**(526)**	(6,624)
Cash and cash equivalents at the beginning of the year		**3,993**	10,637
Effects of foreign currency exchange rate changes on cash and cash equivalents		**7**	(20)
Cash and cash equivalents at the end of the year	12	**3,474**	3,993

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

Contents of the notes to the financial statements

1 General information

This annual financial report covers abrdn Global Corporate Bond Fund (the “Scheme”) as an individual entity.

On 1 July 2023 the Responsible Entity was re-named from abrdn Australia Ltd to MSC Australia Limited (ABN 59 002 123 364) which was subsequently replaced by Melbourne Securities Corporation Limited with effect from 11 October 2023. The Responsible Entity’s registered office is Level 2, 395 Collins Street, Melbourne VIC 3000. These financial statements are presented in Australian currency.

The Scheme is a registered managed investment scheme under the *Corporations Act 2001*. In accordance with the Scheme’s Constitution, it commenced on 24 February 2015 and will terminate on the day immediately preceding the 80th anniversary of its commencement date, unless terminated earlier in accordance with the provisions of the Scheme’s Constitution (as amended).

The Scheme aims to provide long term growth and outperform the Bloomberg Global Aggregate Corporate Index Hedged in Australian dollars over rolling 3 year periods (before deduction of fees, costs and taxation) by investing predominantly in global investment grade bonds in accordance with the provisions of the Scheme’s Constitution.

The financial statements were authorised for issue by the directors on 19 September 2024. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2 Summary of material accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. abrdn Global Corporate Bond Fund is a for-profit Scheme for the purpose of preparing the financial report.

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial assets and net assets attributable to unitholders.

The Scheme manages financial assets based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

In the case of net assets attributable to unitholders, the units are redeemable on demand at the unitholder’s option. However, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within 12 months cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial report of the Scheme complies with IFRS and interpretations issued by the International Accounting Standards Board (IASB).

(ii) New and amended accounting standards adopted by the Scheme

The Scheme has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to materially affect the current or future periods.

2 Summary of material accounting policies (continued)

(b) Financial instruments

(i) Classification

- Financial assets

The Scheme classifies its investments based on its business model for managing those financial assets and their contractual cash flow characteristics. The Scheme's portfolio of financial assets is managed and its performance is evaluated on a fair value basis in accordance with the Scheme's documented investment strategy, together with other related financial information.

Derivatives are measured at fair value through profit or loss.

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor held for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Scheme business model's objective. Consequently, the debt securities are measured at fair value through profit or loss.

For cash and cash equivalents, due from brokers and receivables, these assets are held in order to collect the contractual cash flows and the contractual terms of these assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- Financial liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (distributions payable, due to brokers, management fees payable and other payables).

(ii) Recognition and derecognition

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

Investments are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Schemes have transferred substantially all of the risk and rewards of ownership.

(iii) Measurement

At initial recognition, the Scheme measures financial assets and financial liabilities at fair value. Transaction costs on financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net gains/(losses) on financial instruments at fair value through profit or loss in the period in which they arise.

For further details on how the fair values of financial instruments are determined are disclosed in Note 5 to the financial statements.

(iv) Offsetting financial instruments

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

Income and expenses are presented on a net basis only when permitted under AASBs, e.g. for gains and losses arising from a group of similar transactions, such as gains and losses from financial instruments at fair value through profit or loss.

2 Summary of material accounting policies (continued)

(c) Net assets attributable to unit holders

Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interests of the unitholders. The units are classified as financial liabilities as the Scheme is required to distribute its distributable income. The units can be put back to the Scheme at any time for cash based on the redemption price. The carrying value of redeemable units is measured as the redemption amount that is payable (based on the redemption unit price) at the end of the reporting period if unitholders exercised their right to put the units back to the Scheme.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The units issued by the Scheme did not meet the criteria as they have contractual obligations to distribute and they do not have identical features and therefore have been classified as a liability.

(d) Specific instruments

Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Margin accounts comprise of cash held as collateral for derivative transactions. The cash is held by the broker and is only available to meet margin calls. It is not included as a component of cash and cash equivalents.

Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. The gain or loss on remeasurement to fair value is recognised immediately in the statement of comprehensive income.

(e) Investment income

Interest income from financial assets at amortised cost is recognised on a time-proportionate basis using the effective interest method and includes interest from cash and cash equivalents.

Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities.

Other changes in fair value for such instruments are recorded in accordance with the policies described in Note 2(b) to the financial statements.

(f) Expenses

All expenses, including management fees are recognised in the statement of comprehensive income on an accruals basis.

(g) Foreign exchange gains and losses

Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in the fair value. Included in the statement of comprehensive income line item, net changes in financial instruments at fair value through profit or loss are net foreign exchange gains and losses on monetary financial assets and financial liabilities.

2 Summary of material accounting policies (continued)

(h) Income tax

Under current legislation, the Scheme is not subject to income tax provided the taxable income of the Scheme is fully distributed either by way of cash or reinvestment (i.e. unitholders are presently entitled to the income of the Scheme).

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain that is subject to capital gains tax will be distributed so that the Scheme is not subject to capital gains tax.

(i) Distributions

In accordance with the Scheme's Constitution, the Scheme fully distributes its distributable (taxable) income, and any other amounts determined by the Responsible Entity, to unitholders by cash or reinvestment. The distributions are recognised in the statement of comprehensive income as finance costs attributable to unitholders. Distributions paid are included in cash flows from financing activities in the statement of cash flows.

(j) Foreign currency translation

(i) Functional and presentation currency

Items included in the Scheme's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar, which reflects the currency of the economy in which the Scheme competes for funds and is regulated. The Australian dollar is also the Scheme's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Material foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

The Scheme does not isolate that portion of gains or losses on securities and derivative financial instruments that are measured at fair value through profit or loss, and which is due to changes in foreign exchange rates from that which is due to changes in the market price of securities. Such fluctuations are included with the net gains or losses on financial instruments at fair value through profit or loss.

(k) Balances due from/to brokers

These amounts represent margin accounts and receivables for securities sold and payables for securities purchased that have been contracted but not yet delivered by the end of the reporting period. Trades are recorded on trade date, and normally settled within three business days. A provision for impairment is established when it is expected that the Scheme will not be able to collect all amounts in full. The due from brokers balances is held for collection and consequently measured at amortised cost which is described at Note 2(l) receivables.

(l) Receivables

Receivables may include amounts for equity income and other receivables. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 2(e) above. Trust distributions and dividends are accrued when the right to receive payment is established. Amounts are generally received within 30 days of being recorded as receivables.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Scheme measures the loss allowance on receivables at an amount equal to the lifetime expected credit losses.

2 Summary of material accounting policies (continued)

(m) Payables

Payables include liabilities and accrued expenses owing by the Scheme which are unpaid as at the end of the reporting period.

The distribution amount payable to unitholders as at the end of each reporting period is recognised separately on the statement of financial position when unitholders are presently entitled to the distributable income as declared under the Scheme's Constitution.

(n) Applications and redemptions

Applications received for units in the Scheme are recorded net of any entry fees payable prior to the issue of units in the Scheme. Redemptions from the Scheme are recorded gross of any exit fees payable after the cancellation of units redeemed.

(o) Goods and Services Tax (GST)

The GST incurred on the costs of various services provided to the Scheme by third parties such as investment management fees have been passed onto the Scheme. The Scheme qualifies for Reduced Input Tax Credits (RITC) hence investment management fees and other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Payables are stated with the amount of GST included. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(p) Use of estimates

The Scheme makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Certain financial instruments, for example, over-the-counter derivatives or unquoted securities are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity, independent of the area that created them. Models are calibrated by back-testing to actual transactions to ensure that outputs are reliable.

Other financial instruments, including amounts receivable/payable for securities sold and purchased, accounts payable and accrued expenses, the carrying amounts approximate fair value due to the immediate or short-term nature of these financial instruments. Further details on how the fair values of financial instruments are measured are disclosed in Note 5.

Expected credit loss did not have a material impact on the Scheme. Please see Note 3(c) for more information on credit risk.

(q) Rounding of amounts

The Scheme is an entity of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission (ASIC) relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

3 Financial risk management

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

The Scheme's overall risk management programme focuses on ensuring compliance with the Scheme's Product Disclosure Statement (PDS) and seeks to maximise the returns derived for the level of risk to which the Scheme is exposed.

Compliance with the Scheme's PDS requirements is monitored, and results are reported periodically to senior management and the Scheme's Compliance Committee.

The Scheme uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of price risk, interest rate risk and currency risks.

While geopolitical events have caused uncertainty and market volatility during the period, the Responsible Entity has continued to follow its established policies and process in managing risk and determining the fair value of the financial assets and liabilities as at reporting date. No changes were required to the principles used in applying the fair value measurement hierarchy to financial assets and liabilities held. Financial assets and liabilities continue to be classified in a manner which reflects the significance and observability of the inputs used in their valuation.

(a) Market risk

Market risk is the risk that losses may result from adverse movements in interest rates, foreign currency exchange rates, equity prices, commodity prices and other market metrics. The Scheme's level of market risk is predominantly defined by potential changes in the values of financial instruments in response to movements in the markets. A typical transaction maybe exposed to a number of different market risks.

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will change because of movements in market prices. The Scheme's investments are primarily in global investment grade bonds with the result that the Scheme is exposed to indirect price risk from market movements that may result in changes in the Scheme's investments.

The Investment Manager aims to mitigate price risk by using both fundamental and model driven analysis and through diversification and a careful selection of investments, securities and other financial instruments within specified limits.

The table in Note 3(b) summarises the price risk sensitivity on the Scheme's operating profit/(loss) and net assets attributable to unitholders.

(ii) Currency risk

Currency risk is the change to the value of the Australian dollar, relative to other currencies. Primarily the Scheme's investments are global investment grade bonds. As a result, the Scheme is directly exposed to movements in foreign exchange rates as well as indirectly exposed to movements in the individual currencies of the underlying investments.

3 Financial risk management (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

The table below summarises the Scheme's main assets and liabilities that are denominated in a currency other than the Australian dollar.

30 June 2024	**Canadian Dollars A$'000**	**Euro A$'000**	**British Pounds A$'000**	**US Dollars A$'000**
Cash and cash equivalents	**–**	**(7)**	**5**	**(270)**
Margin accounts	**(2)**	**(28)**	**–**	**(5)**
Receivables	**61**	**767**	**267**	**1,881**
Balances due from brokers	**–**	**2,250**	**383**	**454**
Balance due to brokers	**–**	**(641)**	**–**	**(1,646)**
Financial assets at fair value through profit or loss	**5,400**	**63,698**	**17,868**	**154,206**
Financial liabilities at fair value through profit or loss	**(10)**	**(115)**	**(12)**	**(53)**
Net exposure	**5,449**	**65,924**	**18,511**	**154,567**
Net increase/(decrease) in exposure from foreign currency contracts				
- buy foreign currency	**183**	**4,910**	**1,147**	**5,592**
- sell foreign currency	**(5,577)**	**(69,771)**	**(19,319)**	**(162,276)**
Net exposure including foreign currency contracts	**55**	**1,063**	**339**	**(2,117)**

30 June 2023	Canadian Dollars A$'000	Euro A$'000	British Pounds A$'000	US Dollars A$'000
Cash and cash equivalents	–	5	–	(12)
Margin accounts	–	13	6	–
Receivables	–	–	–	9
Balances due from brokers	–	702	–	878
Balance due to brokers	–	(812)	–	(1,332)
Financial assets at fair value through profit or loss	6,478	55,861	17,724	154,082
Financial liabilities at fair value through profit or loss	(15)	(23)	(6)	(239)
Net exposure	6,463	55,746	17,724	153,386
Net increase/(decrease) in exposure from foreign currency contracts				
- buy foreign currency	–	62	35	93
- sell foreign currency	(99)	(1,188)	(470)	(1,133)
Net exposure including foreign currency contracts	6,364	54,620	17,289	152,346

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Scheme's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on the Scheme's financial position and cash flows.

3 Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

The relevant policies are to diversify investments by limiting the maximum level of duration to plus or minus 0.1 years around the benchmark for Australian securities and is limited to 0.75 years for non-Australian securities. The Scheme holds cash for liquidity and transactional purposes and this cash is held at floating interest rates.

Compliance with the relevant policies are monitored and reported to senior management and the Compliance Committee on a regular basis. The Scheme may also enter into derivatives contracts to mitigate the risk of future interest rate changes.

The Scheme's exposure to interest rate risk is set out in the following table:

30 June 2024	**Floating interest rate $'000**	**Fixed interest rate $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial Assets				
Cash and cash equivalents	**3,474**	**–**	**–**	**3,474**
Margin accounts	**423**	**–**	**–**	**423**
Receivables	**–**	**–**	**2,963**	**2,963**
Balance due from brokers	**–**	**–**	**3,087**	**3,087**
Financial assets at fair value through profit or loss	**59,506**	**179,437**	**2,229**	**241,172**
Total Assets	**63,403**	**179,437**	**8,279**	**251,119**
Financial Liabilities				
Payables	**–**	**–**	**300**	**300**
Balance due to brokers	**–**	**–**	**2,287**	**2,287**
Financial liabilities at fair value through profit or loss	**–**	**–**	**190**	**190**
Total Liabilities	**–**	**–**	**2,777**	**2,777**
Net exposure	**63,403**	**179,437**	**5,502**	**248,342**

30 June 2023	Floating interest rate $'000	Fixed interest rate $'000	Non-interest bearing $'000	Total $'000
Financial Assets				
Cash and cash equivalents	3,993	–	–	3,993
Margin accounts	594	–	–	594
Receivables	–	–	2,528	2,528
Balance due from brokers	–	–	1,580	1,580
Financial assets at fair value through profit or loss	53,874	180,144	317	234,335
Total Assets	58,461	180,144	4,425	243,030
Financial Liabilities				
Payables	–	–	198	198
Balance due to brokers	–	–	2,451	2,451
Financial liabilities at fair value through profit or loss	–	–	3,174	3,174
Total Liabilities	–	–	5,823	5,823
Net exposure	58,461	180,144	(1,398)	237,207

The table in Note 3(b) summarises the interest rate sensitivity of the Scheme's operating profit/(loss) and net assets attributable to unitholders. There are no other significant interest risk exposures. Compliance with the relevant policies are monitored and reported to senior management and the Compliance Committee on a regular basis.

3 Financial risk management (continued)

(b) Summarised sensitivity analysis

The following table summarises the sensitivity of the Scheme's operating profit and net assets attributable to unitholders to interest rate risk, currency risk and other price risk. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in price and interest rates, historical correlation of the Scheme's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Price Risk		Interest Rate Risk	
	Impact on operating profit/Net assets attributable to unitholders			
	-15% $'000	**+15% $'000**	**-100 bps $'000**	**+100 bps $'000**
30 June 2024	**(40,159)**	**40,159**	**(12,377)**	**12,377**
30 June 2023	(36,605)	36,605	(12,114)	12,114

	Currency risk							
	Impact on operating profit/Net assets attributable to unitholders							
	+10% CAD $'000	**-10% CAD $'000**	**+10% EUR $'000**	**-10% EUR $'000**	**+10% GBP $'000**	**-10% GBP $'000**	**+10% USD $'000**	**-10% USD $'000**
30 June 2024	**(495)**	**605**	**(5,993)**	**7,325**	**(1,683)**	**2,057**	**(14,052)**	**17,174**
30 June 2023	(579)	707	(4,965)	6,069	(1,572)	1,921	(13,850)	16,927

(c) Credit risk

Credit risk is the possibility of loss being incurred as the result of a borrower or counterparty failing to meet its financial obligations. In the event of default, an investor generally incurs a loss equal to the amount owed by the debtor, less any recoveries resulting from foreclosure, liquidation of the collateral or restructuring of the obligation.

Credit risk from fixed income securities is mitigated by investing in well rated instruments of investment grade and above and issued by rated counterparties with credit ratings of at least investment grade or better as determined by Standard & Poor's. The Scheme monitors credit ratings of securities and counterparties on a regular basis. Credit risk primarily arises from the creditworthiness of the Scheme's interest bearing assets and discounted securities. Other credit risk arises from cash and cash equivalents, deposits with banks and other financial institutions. None of these assets are impaired nor past due but not impaired.

The exposure to credit risk for cash and cash equivalents and call deposits is low as all counterparties engaged with are investment grade or higher. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Scheme.

3 Financial risk management (continued)

(c) Credit risk (continued)

The following table details the breakdown by bond rating of the debt securities held by the Scheme:

S&P Bond Rating	**Percentage of bond portfolio**	
	30 June 2024	30 June 2023
AAA	**0.47%**	1.12%
AA	**3.36%**	4.44%
A	**32.20%**	34.03%
BBB	**60.52%**	58.05%
BB	**3.35%**	2.32%
Not rated	**0.1%**	0.04%
	100.00%	100.00%

The Scheme usually enters into derivative transactions with counterparties with whom the Scheme has signed either ISDA agreements or Financial Markets Agreements. Agreements of this type provide for the net settlement of contracts with the same counterparty in the event of default. Under these circumstances, the credit risk associated with derivative financial instruments is reduced to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised. All counterparties are included on the Approved Counterparty list and are determined to be investment grade or higher.

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of the financial assets. There are no other significant credit risk exposures. Compliance with the relevant policies is reported to senior management and the Compliance Committee on a regular basis.

(d) Liquidity risk

The Scheme is exposed to daily cash redemptions of redeemable units. Therefore, it primarily holds underlying investments that can be readily disposed.

As a result, the Scheme is normally able to quickly liquidate its investments in these instruments at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

The relevant policies are to hold up to 10% of the net assets attributable to unitholders in cash. Compliance with the relevant policies is monitored and reported to senior management and the Compliance Committee on a regular basis.

3 Financial risk management (continued)

(d) Liquidity risk (continued)

The table below analyses the Scheme's financial liabilities into relevant maturity buckets based on the remaining period to the earliest possible contractual maturity date at the end of the reporting period. The amounts in the table are contractual undiscounted cash flows.

	Less than 1 month $'000	1-6 months $'000	6-12 months $'000	Over 12 months $'000	No stated maturity $'000
As at 30 June 2024					
Payables	**300**	**–**	**–**	**–**	**–**
Financial liabilities	**190**	**–**	**–**	**–**	**–**
Due to broker	**2,287**	**–**	**–**	**–**	**–**
Net assets attributable to unitholders	**248,342**	**–**	**–**	**–**	**–**
Total liabilities	**251,119**	**–**	**–**	**–**	**–**
As at 30 June 2023					
Payables	198	–	–	–	–
Financial liabilities	3,174	–	–	–	–
Due to broker	2,451	–	–	–	–
Net assets attributable to unitholders	237,207	–	–	–	–
Total liabilities	243,030	–	–	–	–

(e) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Responsible Entity's processes, personal, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Scheme's operations.

The objective of the Responsible Entity of the Scheme is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

4 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the tables below.

Financial assets	Effects of offsetting on the statement of Financial Position			Related amount not offset		
	Gross amounts of financial assets	Gross amounts set off in the statement of financial position	Net amount of financial assets presented in the statement of financial position	Amounts subject to master netting arrangements	Collateral pledged/received	Net amount
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$’000**	**$'000**
Derivative financial instruments (i)	**269,007**	**(266,779)**	**2,228**	**(190)**	**–**	**2,038**
Total	**269,007**	**(266,779)**	**2,228**	**(190)**	**–**	**2,038**
30 June 2023	$'000	$'000	$'000	$'000	$’000	$'000
Derivative financial instruments (i)	264,227	(263,910)	317	(317)	–	–
Total	264,227	(263,910)	317	(317)	–	–

Financial Liabilities	Effects of offsetting on the statement of Financial Position			Related amount not offset		
	Gross amounts of financial liabilities	Gross amounts set off in the statement of financial position	Net amount of financial liabilities presented in the statement of financial position	Amounts subject to master netting arrangements	Collateral pledged/received	Net amount
30 June 2024	**$'000**	**$'000**	**$'000**	**$'000**	**$’000**	**$'000**
Derivative financial instruments (i)	**266,969**	**(266,779)**	**190**	**(190)**	**–**	**-**
Total	**266,969**	**(266,779)**	**190**	**(190)**	**–**	**-**
30 June 2023	$'000	$'000	$'000	$'000	$’000	$'000
Derivative financial instruments (i)	267,084	(263,910)	3,174	(317)	–	2,857
Total	267,084	(263,910)	3,174	(317)	–	2,857

4 Offsetting financial assets and financial liabilities (continued)

(i) Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. The Scheme does not presently have a legally enforceable right of set-off because no credit event occurred. Accordingly, these amounts have not been offset in the statement of financial position, but have been presented separately in the above table.

5 Fair value measurement

The Scheme measures and recognises the following financial assets and liabilities at fair value on a recurring basis:

- Financial assets / liabilities at fair value through profit or loss (FVTPL) (see Note 7 and Note 8); and
- Derivative financial instruments (see Note 9).

The Scheme has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period. AASB 13 requires disclosure of fair value measurements by level of the following fair value hierarchy:

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

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

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs. For the majority of its investments, the Scheme relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets and liabilities is the last traded price. Where the last traded price does not fall within the bid-ask spread, an assessment is performed by management to determine the appropriate valuation price to use that is most representative of fair value.

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.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing 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. These include the use of recent arm’s length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

The fair value of derivatives that are not exchange traded is estimated as the amount that the Scheme would receive or pay to terminate the contract at the end of the reporting period taking into account the current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

5 Fair value measurement (continued)

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

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Scheme holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

Recognised fair value measurement

The following table presents the Scheme's financial assets and liabilities measured and recognised at fair value as at 30 June 2024 and 30 June 2023.

As at 30 June 2024	**Level 1 $'000**	**Level 2 $'000**	**Level 3 $'000**	**Total $'000**
Financial assets at fair value through profit or loss				
Derivatives (Note 9)	**295**	**1,933**	**–**	**2,228**
Interest bearing securities	**–**	**238,944**	**–**	**238,944**
Total	**295**	**240,877**	**–**	**241,172**
Financial liabilities at fair value through profit or loss				
Derivatives (Note 9)	**124**	**66**	**–**	**190**
Total	**124**	**66**	**–**	**190**

As at 30 June 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets at fair value through profit or loss				
Derivatives (Note 9)	127	190	–	317
Interest bearing securities	–	234,018	–	234,018
Total	127	234,208	–	234,335
Financial liabilities at fair value through profit or loss				
Derivatives (Note 9)	283	2,891	–	3,174
Total	283	2,891	–	3,174

(i) Transfers between levels

The Scheme's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between the levels for the year ended 30 June 2024 and year ended 30 June 2023. There were also no changes made to any of the valuation techniques applied as of 30 June 2024.

(ii) Fair value measurements using significant unobservable inputs (level 3)

The Scheme did not hold any financial instruments with fair value measurements using significant unobservable inputs during the year ended 30 June 2024 or year ended 30 June 2023.

5 Fair value measurement (continued)

(iii) Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

(iv) Financial instruments not measured at fair value

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values due to their short term nature.

6 Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial instruments at fair value through profit or loss:

	Year ended	
	30 June 2024 $'000	30 June 2023 $'000
Financial assets		
Net gains/(losses) on financial assets at fair value through profit or loss	**54,437**	61,258
Financial liabilities		
Net gains/(losses) on financial liabilities at fair value through profit or loss	**(49,879)**	(68,194)
Total net gains/(losses) on financial instruments at fair value through profit or loss	**4,558**	(6,936)

7 Financial assets at fair value through profit or loss

	As at	
	30 June 2024 $'000	30 June 2023 $'000
Financial assets at fair value through profit or loss		
Derivatives (Note 9)	**2,228**	317
Interest bearing securities	**238,944**	234,018
Total financial assets at fair value through profit or loss	**241,172**	234,335

An overview of the risk exposures relating to financial assets at fair value through profit or loss is included in Note 3.

8 Financial liabilities at fair value through profit or loss

	As at	
	30 June 2024 $'000	30 June 2023 $'000
Financial liabilities at fair value through profit and loss		
Derivatives (Note 9)	**190**	3,174
Total financial liabilities at fair value through profit and loss	**190**	3,174

An overview of the risk exposures relating to financial liabilities at fair value through profit or loss is included in Note 3.

9 Derivative financial instruments

In the normal course of business, the Scheme may enter into transactions in various derivative financial instruments with certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments, such as forwards, futures and options. Consequently, the use of derivatives is multifaceted and may include:

- hedging to protect an asset or liability of the Scheme against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy.

The Scheme holds the following derivative instruments:

(a) Futures

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are settled daily with the exchange. Index futures are contractual obligations to receive or pay a net amount based on changes in indices at a future date at a specified price, established in an organised financial market. Bond futures are contractual obligations to purchase or sell a bond on a specified date at a predetermined price, established in an organised financial market.

(b) Foreign currency contracts

Foreign currency contracts are primarily used by the Scheme to hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Scheme agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Foreign currency contracts are valued at the prevailing bid price at the end of each reporting period. The Scheme recognises a gain or loss equal to the change in fair value at the end of each reporting period.

Notional amounts are the underlying amounts to foreign currencies upon which the fair value of the foreign currency contracts traded by the Scheme is based. While notional amounts do not represent the current fair value and are not necessarily indicative of the future cash flows of the Scheme's foreign currency contracts, the underlying price changes in relation to the variables specified by the notional amounts affect the fair values of these derivative financial instruments.

9 Derivative financial instruments (continued)

The Scheme's derivative financial instruments as at 30 June 2024 and 30 June 2023 are detailed below:

30 June 2024	**Notional $'000**	**Assets $'000**	**Liabilities $'000**
Futures	**28,781**	**295**	**124**
Forward currency contracts	**266,781**	**1,933**	**66**
		2,228	**190**

30 June 2023	Notional $'000	Assets $'000	Liabilities $'000
Futures	10,018	127	283
Forward currency contracts	266,978	190	2,891
		317	3,174

Risk exposures and fair value measurements

Information about the Scheme's exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

10 Net assets attributable to unitholders

Movements in number of units and net assets attributable to unitholders during the year were as follows:

As stipulated within the Scheme's Constitution, each unit represents a right to an individual share in the Scheme and does not extend to a right to the underlying assets of the Scheme.

There are two classes of unitholders in the Scheme – Class A for Retail investors and Class P for wholesale investors.

There are two separate classes of units. Each unit within the same class has the same rights as all other units within that class. Each unit class has a different management fee rate.

	Year ended			
Class A	**30 June 2024 No. '000**	30 June 2023 No. '000	**30 June 2024 $'000**	30 June 2023 $'000
Opening balance	**283,569**	282,834	**237,185**	236,137
Applications	**798**	894	**680**	743
Redemptions	**(462)**	(159)	**(386)**	(130)
Change in net assets attributable to unitholders	**–**	–	**10,863**	435
Closing balance	**283,905**	283,569	**248,342**	237,185

10 Net assets attributable to unitholders (continued)

Class P

	Year ended			
	30 June 2024 No. '000	30 June 2023 No. '000	**30 June 2024 $'000**	30 June 2023 $'000
Opening balance	**28**	392	**22**	354
Applications	**2**	13	**1**	10
Redemptions	**(30)**	(377)	**(23)**	(295)
Change in net assets attributable to unitholders	**–**	–	**–**	(47)
Closing balance	**–**	28	**–**	22

Capital risk management

The Scheme considers its net assets attributable to unitholders as capital, notwithstanding net assets attributable to unitholders are classified as a financial liability. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Scheme is subject to daily applications and redemptions at the discretion of unitholders.

Daily applications and redemptions are reviewed relative to the liquidity of the Scheme's underlying assets on a daily basis by the Responsible Entity. Under the terms of the Scheme's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

11 Distributions to unitholders

There were no distributions paid/payable for the years ended 30 June 2024 and 30 June 2023 as the fund recouped prior year losses.

12 Cash and cash equivalents

	As at	
	30 June 2024 $'000	30 June 2023 $'000
Cash and cash equivalents	**3,474**	3,993
	3,474	3,993

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

	Year ended	
	30 June 2024	30 June 2023
	$'000	$'000
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss) from operating activities	**10,863**	388
Proceeds from sale of financial instruments at fair value through profit or loss	**252,478**	204,426
Purchase of financial instruments at fair value through profit or loss	**(261,864)**	(218,193)
Net (gains)/losses on financial instruments at fair value through profit or loss	**(4,558)**	6,936
Net foreign exchange (gains)/losses	**2,616**	18
Net change in receivables	**(435)**	(611)
Net change in payables	**102**	100
Net cash inflow/(outflow) from operating activities	**(798)**	(6,936)

14 Remuneration of auditors

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

	Year ended	
	30 June 2024	30 June 2023
	$	$
Audit and non audit services - KPMG		
Audit services		
Audit of financial report	**10,768**	10,017
Audit of compliance plan	**–**	2,376
Total remuneration - KPMG	**10,768**	12,393
Audit and non audit services - Moore Australia		
Audit services		
Audit of compliance plan	**3,000**	-
Total remuneration - Moore Australia	**3,000**	-

Auditors' remuneration for the Scheme is paid by the Responsible Entity, and has not been re-charged to the Scheme.

15 Receivables

	As at	
	30 June 2024	30 June 2023
	$'000	$'000
Interest receivable	**2,931**	2,523
Other receivables	**32**	5
	2,963	2,528

16 Payables

	As at	
	30 June 2024	30 June 2023
	$'000	$'000
Management fees payable	**300**	198
	300	198

17 Related party transactions

Responsible Entity

On 1 July 2023 the Responsible Entity was re-named from abrdn Australia Ltd to MSC Australia Limited (ABN 59 002 123 364) which was subsequently replaced by Melbourne Securities Corporation Limited with effect from 11 October 2023.

The directors of the Retired Responsible Entity during the period 1 July 2023 to 10 October 2023 were as follows:

Steven O'Connell (appointed 1 July 2023)
Ruth McClelland (appointed 1 July 2023)
Matthew Fletcher (appointed 1 July 2023)

The directors of Melbourne Securities Corporation Limited during the period 11 October 2023 to date of this report were as follows:

Michael Fleming
Matthew Fletcher
Steven O'Connell
Ruth McClelland
Shelley Brown

Other key management personnel

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

Key management personnel unitholdings

At 30 June 2024 no key management personnel held units in the Scheme (2023: Nil).

17 Related party transactions (continued)

Key management personnel compensation

The Scheme does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Scheme and this is considered the Key Management Personnel (the "KMP"). The directors of the Responsible Entity are KMP of that company and have been disclosed above.

The Responsible Entity is entitled to a management fee which is calculated as a proportion of net assets attributable to unitholders.

No compensation is paid to directors or directly by the Scheme to any KMP of the Responsible Entity.

Key management personnel loan disclosures

The Scheme has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel or their personally related entities at any time during the reporting period.

Other transactions within the Scheme

From time to time directors of the Responsible Entity, or their related entities, may invest in or withdraw from the Scheme. These investments or withdrawals are on the same terms and conditions as those entered into by other Scheme investors.

Apart from those details disclosed in this note, no directors have entered into a material contract with the Scheme since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Responsible Entity's/Investment Manager's fees and other transactions

Under the terms of the Scheme's Constitution and the current Product Disclosure Statement for the Scheme, the management fees of the scheme are below:

Class	**Management Fee**
Class A	0.50% per annum of the net asset value of the Scheme (Class A) (2023: 0.50%)
Class P	0.25% per annum of the net asset value of the Scheme (Class P) (2023: 0.25%)

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Scheme and the Responsible Entity were as follows:

	30 June 2024 $	30 June 2023 $
Management fees for the year incurred by the Scheme	**1,201,284**	1,176,322
Management fees for the year payable by the Scheme	**300,128**	197,950

Related party unitholdings

Parties related to the Scheme (including Responsible Entity, its related parties and other schemes managed by Responsible Entity), did not hold any units in the Scheme (2023: Nil).

Investments

The Scheme did not hold any investments in the Responsible Entity or its related parties during the year (2023: Nil).

Units in scheme held by other related parties

At 30 June 2024, no other directors of the Responsible Entity apart from those disclosed above held units in the Scheme (2023: Nil).

18 Events occurring after the reporting period

Since the balance sheet date, the associated economic impacts of geopolitical events remain uncertain. As the investments are measured at their 30 June 2024 fair values in the financial report, any volatility in values subsequent to the end of the reporting period is not reflected in the statement of comprehensive income or the statement of financial position. However, the current value of investments has been reflected in the current unit price.

No other significant events have occurred since the end of the reporting period which would impact the financial position of the Scheme disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Scheme for the year ended on that date.

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2024 and 30 June 2023.

Directors' declaration

In the opinion of the directors of Melbourne Securities Corporation Limited, the Responsible Entity of abrdn Global Corporate Bond Fund (the "Scheme"):

(a) the financial statements and notes set out on pages 7 to 33, are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Scheme's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date;

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Scheme will be able to pay its debts as and when they become due and payable.

The directors draw attention to Note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors of Melbourne Securities Corporation Limited:

Shelley Brown
Director

19 September 2024

Independent Auditor's Report

To the unitholders of abrdn Global Corporate Bond Fund

Opinion

We have audited the ***Financial Report*** of the abrdn Global Corporate Bond Fund (the Scheme).

In our opinion, the accompanying Financial Report of the Scheme gives a true and fair view, including of the Scheme's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2024.
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration made by the Directors of Melbourne Securities Corporation Limited (the Responsible Entity).

Basis for opinion

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

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

We are independent of the Scheme in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in the abrdn Global Corporate Bond Fund's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity are responsible for the Other Information.

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors of the Responsible Entity are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Scheme, and that is free from material misstatement, whether due to fraud or error
- assessing the Scheme's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Scheme or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

KPMG

Andrew Reeves
Partner
Sydney
19 September 2024

Directory

Responsible Entity

Melbourne Securities Corporation Limited
ABN 57 160 326 545

Registered Office and Principal Place of Business

Melbourne Securities Corporation Limited
Level 2
395 Collins Street
MELBOURNE VIC 3000

Custodian

Citigroup Pty Limited
Level 16
2 Park Street
SYDNEY NSW 2000

Auditor

KPMG
Tower Three
International Towers Sydney
300 Barangaroo Avenue
SYDNEY NSW 2000

For more information visit https://www.abrdn.com/australia/investor

Responsible entity and registered address

Melbourne Securities Corporation Limited

ACN 160 326 545

ABN 57 160 326 545

AFS Licence No. 428289

Level 2, 395 Collins Street

MELBOURNE VIC 3000

Phone: +61 3 9050 2000

Australia: 1300 798 790