

Pendal American Share Fund

ARSN 087 594 509

Financial report

for the period from 1 July 2023 to 7 December 2023

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Directors' report

The directors of Pendal Fund Services Limited (a wholly owned subsidiary of Perpetual Limited), the Responsible Entity of Pendal American Share Fund (the Scheme), present their report together with the financial statements of the Scheme for the period from 1 July 2023 to 7 December 2023 and the auditor's report thereon.

Responsible Entity

The Responsible Entity of Pendal American Share Fund is Pendal Fund Services Limited (ABN 13 161 249 332). The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

Directors

The following persons held office as directors of Pendal Fund Services Limited during the period or since the end of the period and up to the date of this report:

Amanda Apted (appointed 31 August 2023)
 Simone Mosse (appointed 23 January 2023)
 Anthony Serhan (appointed 6 December 2019)
 Richard Brandweiner (appointed 6 March 2019, resigned 31 July 2023)
 Justin Howell (appointed 7 May 2018, resigned 1 September 2023)

Principal activities

The Scheme was terminated on 28 November 2023 with the redemption of all units of the Scheme effective on that date and the payment of the final return of capital on 7 December 2023, completing the wind up of the Scheme.

Prior to the termination, the principal activity of the Scheme was to invest in BT American Share Fund in accordance with the provisions of the governing documents. Through this investment, the Scheme was exposed to international equities.

The Scheme did not have any employees during the period.

Review and results of operations

Prior to the termination, the Scheme's assets were invested in accordance with the investment objective and guidelines as set out in the governing documents of the Scheme and in accordance with the provisions of the Scheme's Constitution.

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

	Period 1 July 2023 to 7 December 2023	Year ended 30 June 2023
Profit/(loss) (\$)	<u>985,109</u>	<u>5,457,380</u>
<i>Distributions</i>		
Distributions paid and payable (\$)	<u>1,571,746</u>	<u>1,238,052</u>
Distributions (cents per unit)	<u>4.756</u>	<u>2.937</u>

Directors' report (continued)

Interests in the Scheme

The movement in units on issue in the Scheme during the period is disclosed in note 4 to the financial statements.

The value of the Scheme's assets and liabilities is nil as disclosed in the statement of financial position due to the termination of the Scheme.

Significant changes in the state of affairs

All units of the Scheme were redeemed for effective date 28 November 2023 and the final return of capital was paid on 7 December 2023. The Scheme was effectively wound up on 7 December 2023.

Matters subsequent to the end of the financial period

Effective 23 January 2024, KPMG was appointed as auditor for the Scheme. This appointment follows the outcome of an audit tender process. In accordance with this process and section 329(5) of the *Corporations Act 2001*, the Scheme has received the resignation of PricewaterhouseCoopers (PwC) following ASIC's consent to the resignation.

No other matter or circumstance has arisen since 7 December 2023.

Likely developments and expected results of operations

The Scheme was wound up on 7 December 2023.

Environmental regulation

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

Responsible Entity's rebates received from the Responsible Entity or its related parties

Responsible Entity's rebates are disclosed in note 9 to the financial statements.

No fees were paid out of Scheme property to the directors of the Responsible Entity during the period.

Indemnity and insurance of officers and auditors

No insurance premiums are paid for out of the assets of the Scheme in regards to insurance cover provided to either the officers of Pendal Fund Services Limited or the auditor of the Scheme. So long as the officers of Pendal Fund Services Limited act in accordance with the Scheme's Constitution and the law, the officers remain indemnified out of the assets of the Scheme against losses incurred while acting on behalf of the Scheme. The auditor of the Scheme is in no way indemnified out of the assets of the Scheme.

Directors' report (continued)

Lead auditor's independence declaration

A copy of the lead auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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



Director



Director

Sydney
5 March 2024



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

To the Directors of Pental Fund Services Limited as the Responsible Entity of
Pental American Share Fund

I declare that, to the best of my knowledge and belief, in relation to the audit of Pental American Share Fund for the period ended 7 December 2023, 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.

A handwritten signature of the KPMG firm, written in a stylized, cursive font.

KPMG

A handwritten signature of Karen Hopkins, written in a cursive font.

Karen Hopkins

Partner

Sydney

5 March 2024

Pendal American Share Fund
Statement of comprehensive income
For the period from 1 July 2023 to 7 December 2023

Statement of comprehensive income

		Period 1 July 2023 to 7 December 2023	Year ended 30 June 2023
	Notes	\$	\$
Investment income			
Distribution income		16,787	2,291,097
Interest income		5,430	1,526
Net gains/(losses) on financial instruments at fair value through profit or loss		956,860	3,141,780
Responsible Entity's rebates	9	<u>6,138</u>	<u>22,977</u>
Total investment income/(loss)		<u>985,215</u>	<u>5,457,380</u>
 Expenses			
Other expenses		<u>106</u>	-
Total expenses		<u>106</u>	-
 Profit/(loss)		<u>985,109</u>	<u>5,457,380</u>
 Other comprehensive income		<u>-</u>	-
Total comprehensive income		<u>985,109</u>	<u>5,457,380</u>

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

Pendal American Share Fund
Statement of financial position
As at 7 December 2023

Statement of financial position

		7 December 2023	30 June 2023
	Notes	\$	\$
Assets			
Cash and cash equivalents	7(b)	-	61,758
Receivables	6	-	2,581,158
Financial assets at fair value through profit or loss	5	-	29,415,037
Total assets		-	32,057,953
Liabilities			
Distributions payable	3	-	1,238,052
Payables		-	100,000
Total liabilities		-	1,338,052
Net assets attributable to unitholders - equity	4	-	30,719,901

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

Pendal American Share Fund
Statement of changes in equity
For the period from 1 July 2023 to 7 December 2023

Statement of changes in equity

		Period 1 July 2023 to 7 December 2023	Year ended 30 June 2023
	Notes	\$	\$
Total equity at the beginning of the period/year	4	30,719,901	22,830,688
Comprehensive income for the period/year			
Profit/(loss)		<u>985,109</u>	<u>5,457,380</u>
Total comprehensive income for the period/year		<u>985,109</u>	<u>5,457,380</u>
Transactions with unitholders			
Applications	4	166,277	2,617,411
Redemptions	4	(31,342,797)	(4,016,173)
Units issued upon reinvestment of distributions	4	1,043,256	5,068,647
Distributions to unitholders	3, 4	<u>(1,571,746)</u>	<u>(1,238,052)</u>
Total transactions with unitholders		<u>(31,705,010)</u>	<u>2,431,833</u>
Total equity at the end of the period/year	4	<u>-</u>	<u>30,719,901</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Pendal American Share Fund
Statement of cash flows
For the period from 1 July 2023 to 7 December 2023

Statement of cash flows

		Period 1 July 2023 to 7 December 2023	Year ended 30 June 2023
	Notes	\$	\$
Cash flows from operating activities			
Proceeds from sale of financial instruments at fair value through profit or loss		33,758,672	9,522,148
Payments for purchase of financial instruments at fair value through profit or loss		(790,895)	(4,494,816)
Interest received		5,618	1,337
Responsible Entity's rebates received		8,015	19,652
Other expenses paid		(106)	(173)
Net cash inflow/(outflow) from operating activities	7(a)	<u>32,981,304</u>	<u>5,048,148</u>
Cash flows from financing activities			
Proceeds from applications by unitholders		166,277	2,617,411
Payments for redemptions by unitholders		(31,442,797)	(6,633,069)
Distributions paid		(1,766,542)	(1,044,130)
Net cash inflow/(outflow) from financing activities		<u>(33,043,062)</u>	<u>(5,059,788)</u>
Net increase/(decrease) in cash and cash equivalents		(61,758)	(11,640)
Cash and cash equivalents at the beginning of the period/year		<u>61,758</u>	<u>73,398</u>
Cash and cash equivalents at the end of the period/year	7(b)	<u>-</u>	<u>61,758</u>

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

1 General information

These financial statements cover Pendal American Share Fund (the Scheme) as an individual entity. The Scheme was a registered managed investment scheme under the *Corporations Act 2001*. The Scheme was constituted on 30 August 1989. The Scheme was wound up on 7 December 2023. The Scheme was domiciled in Australia.

The Responsible Entity of the Scheme is Pendal Fund Services Limited. The Responsible Entity's registered office is Level 18, 123 Pitt Street, Sydney, NSW 2000.

The financial statements were authorised for issue by the directors of the Responsible Entity on 5 March 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 periods presented, unless otherwise stated.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Accounting Standards Board and the *Corporations Act 2001* in Australia.

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

The financial statements are prepared on a basis other than going concern as the Scheme was wound up on 7 December 2023. There is no difference in the financial statements that are prepared on a going concern basis and the alternate basis.

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.

Compliance with International Financial Reporting Standards

The financial statements also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Scheme's functional currency.

Use of estimates

Management makes estimates and assumptions that affect the reported amounts in the financial statements. Estimates and associated assumptions are reviewed regularly and are based on historical experience and various other factors, including expectations of future events that are believed to be reasonable under the circumstances. Where applicable to the fair value measurement, the current changing market conditions are assessed and estimated. Actual results may differ from these estimates.

The use of estimates and critical judgements in fair value measurement that can have significant effect on the amounts recognised in the financial statements is described in note 11(d).

New standards, amendments and interpretations adopted by the Scheme

There are no new accounting standards, amendments and interpretations that are effective for the first time for the financial period beginning 1 July 2023 that have a material impact on the financial statements of the Scheme.

2 Summary of material accounting policies (continued)

(b) Financial instruments

(i) Classification

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

Unlisted unit trusts are classified as financial assets at fair value through profit or loss.

(ii) Recognition/derecognition

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

Investments are derecognised on the date the Scheme becomes party to the sale contractual agreement (trade date).

(iii) Measurement

At initial recognition, a financial asset is measured at fair value. Transaction costs are expensed in profit or loss as incurred. Subsequently, all financial assets are measured at fair value without any deduction for estimated future selling costs. Gains and losses arising from changes in the fair value measurement are recognised in profit or loss in the period in which they arise.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Further details of fair value measurement are disclosed in note 11(d).

(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.

(c) Net assets attributable to unitholders

All units of the Scheme were redeemed for effective date 28 November 2023 and the final return of capital was paid on 7 December 2023. The Scheme was effectively wound up on 7 December 2023.

Prior to the termination of the Scheme, units were redeemable at unitholders' option. However, applications and redemptions could be suspended by the Responsible Entity if it was in the best interests of the unitholders.

Under AASB 132 *Financial instruments: Presentation*, puttable financial instruments are classified as equity where certain strict criteria are met. The Scheme classifies the net assets attributable to unitholders as equity.

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank and other short term and highly liquid financial assets with a maturity period of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 Summary of material accounting policies (continued)

(e) Receivables

Receivables include accrued income and receivables for securities sold.

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 if the credit risk increases significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Scheme measures the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

The carrying amount of receivables is a reasonable approximation of fair value due to their short term nature.

(f) Payables

Payables include accrued expenses.

The carrying amount of payables is a reasonable approximation of fair value due to their short term nature.

(g) Investment income

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents.

Distribution income from financial assets at fair value through profit or loss is recognised in profit or loss when the Scheme's right to receive payment is established.

Other changes in fair value for such instruments are recorded in accordance with the accounting policies described in note 2(b).

(h) Expenses

All expenses are recognised in profit or loss on an accruals basis.

(i) Income tax

The Scheme is not subject to income tax provided the taxable income of the Scheme is attributed to its unitholders each financial year. Unitholders are subject to income tax at their own marginal tax rates on amounts attributable to them.

The benefits of franking credits and foreign tax paid are passed on to unitholders, providing certain conditions are met.

(j) Distributions

In accordance with the Scheme's Constitution, the Scheme distributes its distributable income and any other amounts determined by the Responsible Entity to unitholders by cash or reinvestment.

2 Summary of material accounting policies (continued)

(j) Distributions (continued)

Distributions are payable as set out in the Scheme's Constitution. Such distributions are recognised as payable when they are determined by the Responsible Entity of the Scheme.

(k) Goods and Services Tax

The Goods and Services Tax (GST) is incurred on the cost of various services provided to the Scheme by third parties. The Scheme qualifies for Reduced Input Tax Credit (RITC); hence expenses have been recognised in profit or loss net of the amount of GST recoverable from the Australian Taxation Office.

3 Distributions to unitholders

The distributions for the period/year were as follows:

	Period 1 July 2023 to 7 December 2023 \$	Period 1 July 2023 to 7 December 2023 CPU	Year ended 30 June 2023 \$	Year ended 30 June 2023 CPU
Distributions paid - September	19,221	0.055	-	-
Distributions paid - November	1,552,525	4.701	-	-
Distributions payable - June	-	-	1,238,052	2.937
Total distributions	1,571,746		1,238,052	

4 Net assets attributable to unitholders

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

	Period 1 July 2023 to 7 December 2023 Units	Year ended 30 June 2023 Units	Period 1 July 2023 to 7 December 2023 \$	Year ended 30 June 2023 \$
Opening balance	42,149,541	36,002,966	30,719,901	22,830,688
Applications	225,977	4,013,162	166,277	2,617,411
Redemptions	(43,806,989)	(5,873,929)	(31,342,797)	(4,016,173)
Units issued upon reinvestment of distributions	1,431,471	8,007,342	1,043,256	5,068,647
Distributions to unitholders	-	-	(1,571,746)	(1,238,052)
Profit/(loss)	-	-	985,109	5,457,380
Closing balance	-	42,149,541	-	30,719,901

4 Net assets attributable to unitholders (continued)

As stipulated within the Scheme's Constitution, each unit represents a right to an individual unit in the Scheme and does not extend to a right to the underlying assets of the Scheme. There are no separate classes of units and each unit has the same rights attached to it as all other units of the Scheme.

Capital risk management

The Scheme considers its net assets attributable to unitholders as capital. The amount of net assets attributable to unitholders reduced to nil after the payment of the final return of capital to unitholders.

5 Financial assets at fair value through profit or loss

	7 December 2023 \$	30 June 2023 \$
Unlisted unit trusts	-	29,415,037
Total financial assets at fair value through profit or loss	-	29,415,037

6 Receivables

	7 December 2023 \$	30 June 2023 \$
Receivables for securities sold	-	313,044
Responsible Entity's rebates receivable	-	1,877
Accrued income	-	2,266,237
Total receivables	-	2,581,158

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

	Period 1 July 2023 to 7 December 2023 \$	Year ended 30 June 2023 \$
(a) Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities		
Profit/(loss)	985,109	5,457,380
Proceeds from sale of financial instruments at fair value through profit or loss	33,758,672	9,522,148
Payments for purchase of financial instruments at fair value through profit or loss	(790,895)	(4,494,816)
Income reinvested	(2,282,836)	(4,922,030)
(Increase)/decrease in receivables	2,268,114	2,628,694
Increase/(decrease) in payables	-	(1,448)
Net (gains)/losses on financial instruments held at fair value through profit or loss	(956,860)	(3,141,780)
Net cash inflow/(outflow) from operating activities	32,981,304	5,048,148
(b) Components of cash and cash equivalents		
Cash at the end of the period/year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:		
Cash at bank	-	61,758
Total cash and cash equivalents	-	61,758
(c) Non-cash financing activities		
During the period/year, the following distribution payments were satisfied by the issue of units under the distribution reinvestment plan	1,043,256	5,068,647

8 Remuneration of auditors

	Period 1 July 2023 to 7 December 2023 \$	Year ended 30 June 2023 \$
<i>Audit and other assurance services - KPMG:</i>		
Audit of financial statements	12,323	-
Other regulatory assurance services	2,678	-
Total	15,001	-
<i>Audit and other assurance services - PricewaterhouseCoopers Australia (PwC):</i>		
Audit of financial statements	-	10,447
Other regulatory assurance services	-	2,602
Total	-	13,049

Audit fees were paid or payable by the Responsible Entity.

9 Related party transactions

Responsible Entity

The Responsible Entity of Pendal American Share Fund is Pendal Fund Services Limited (ABN 13 161 249 332), a wholly owned subsidiary of Perpetual Limited (ACN 000 431 827).

Key management personnel

(a) Directors

The directors of Pendal Fund Services Limited during the period or since the end of the period and up to the date of this report were as follows:

Amanda Apted (appointed 31 August 2023)
Simone Mosse (appointed 23 January 2023)
Anthony Serhan (appointed 6 December 2019)
Richard Brandweiner (appointed 6 March 2019, resigned 31 July 2023)
Justin Howell (appointed 7 May 2018, resigned 1 September 2023)

(b) 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 or since the end of the period.

Key management personnel unitholdings

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 unitholders of the Scheme.

No key management personnel of the Responsible Entity held units in the Scheme as at 7 December 2023 (30 June 2023: Nil).

9 Related party transactions (continued)

Transactions with key management personnel

Key management personnel services are provided by Pendal Fund Services Limited and included in the Responsible Entity's fees. There is no separate charge for these services. There was no compensation paid directly by the Scheme to any of the key management personnel during the period.

The Scheme did not make, guarantee or secure, directly or indirectly, any loans to the key management personnel or their related entities at any time during the reporting period.

Responsible Entity's rebates and other transactions

Under the terms of the Scheme's Constitution, the Responsible Entity is entitled to receive management fees. The Scheme incurred management fees (inclusive of GST and net of RITC) of 1.00% per annum for the period up to 27 November 2023. The management fees were calculated by reference to the net asset value of the Scheme.

Where the Scheme invests into other schemes, the Responsible Entity's fees are calculated after rebating the management fees charged in the underlying schemes. The Scheme received Responsible Entity's rebates as the underlying scheme charged a higher management fee rate.

The Responsible Entity pays for the Scheme's recoverable expenses and does not recover these expenses from the Scheme.

The transactions during the period and amounts receivable at the reporting date between the Scheme and the Responsible Entity were as follows:

	Period 1 July 2023 to 7 December 2023 \$	Year ended 30 June 2023 \$
Responsible Entity's rebates	6,138	22,977
Responsible Entity's rebates receivable	-	1,877

10 Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factors in deciding control and the relevant activities are directed by means of contractual arrangements.

The Scheme considers all investments in unlisted unit trusts to be structured entities. The Scheme may invest in related and unrelated unlisted unit trusts for the purpose of capital appreciation and earning investment income.

10 Structured entities (continued)

The unlisted unit trusts are invested in accordance with the investment strategy by their respective investment managers. The return of the unlisted unit trusts is exposed to the variability of the performance of their investments. The unlisted unit trusts finance their operations by issuing redeemable units which are puttable at the holder's option and entitle the holder to a proportional stake in the respective trusts' net assets and distributions.

The Scheme's exposure to structured entities at fair value is disclosed in the following table:

	Fair value		Ownership interest	
	7 December 2023 \$	30 June 2023 \$	7 December 2023 %	30 June 2023 %
BT American Share Fund	-	29,415,037	-	45.60

The fair value of these entities is included in financial assets at fair value through profit or loss in the statement of financial position.

The Scheme's maximum exposure to loss from its interests in the structured entities is equal to the total fair value of its investments in these entities as there are no off balance sheet exposures relating to them. The Scheme's exposure to any risk from the structured entities will cease when these investments are disposed of.

The Scheme does not have current commitments or intentions and contractual obligations to provide financial or other support to the structured entities. There are no loans or advances currently made to these entities.

11 Financial risk management

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

A risk management framework has been established by the Responsible Entity of the Scheme to monitor the Scheme's compliance with its governing documents and to minimise risks in its investment activities. This framework incorporates a regular assessment process to ensure procedures and controls adequately manage the investment activities. The Scheme is permitted to use derivative products. However, the use of derivatives must be consistent with the investment strategy and restrictions specified in the Scheme's governing documents.

All investments securities present a risk of loss of capital. The maximum loss of capital on unlisted unit trusts is limited to the fair values of those positions.

The Scheme's asset managers aim to manage these risks through the use of consistent and carefully considered investment strategy and guidelines specifically tailored for the Scheme's investment objective. Risk management techniques are used in the selection of investments. Asset managers will only purchase securities (including derivatives) which meet the prescribed investment criteria. Risk may also be reduced by diversifying investments across several asset managers, markets, regions or different asset classes and counterparties.

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

11 Financial risk management (continued)

(a) Market risk

(i) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Prior to the termination, the Scheme was exposed to price risk predominantly through its investments for which prices in the future are uncertain.

The fair value of the Scheme's investments exposed to price risk was as follows:

	7 December 2023 \$	30 June 2023 \$
Unlisted unit trusts	-	29,415,037
	-	29,415,037

The table presented in note 11(a)(iv) summarises sensitivity analysis to price risk. This analysis assumes that all other variables remain constant.

(ii) Currency risk

Currency risk arises as the fair value or future cash flows of monetary assets and liabilities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk not currency risk. However, management monitors the exposures on all foreign currency denominated assets and liabilities.

Prior to the termination, the Scheme did not have any exposure to currency risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Scheme is exposed to cash flow interest rate risk on financial instruments with floating interest rates. Financial instruments with fixed interest rates expose the Scheme to fair value interest rate risk.

Prior to the termination, the Scheme's exposure to interest rate risk was limited to its cash and cash equivalents, which earn/charge a floating rate of interest.

11 Financial risk management (continued)

(a) Market risk (continued)

(iv) Sensitivity analysis

The following table summarises the sensitivity of profit and net assets attributable to unitholders to price risk. The reasonably possible movements in the risk variables have been determined based on management's estimates, having regard to a number of factors including 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 unusual large market movements resulting from changes in the performance of and/or correlation between the performance of the economies, markets and securities in which the Scheme invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables.

	Impact on profit/net assets attributable to unitholders	
	Price risk	
	-15.00% (2023: -15.00%) \$	+15.00% (2023: +15.00%) \$
7 December 2023	-	-
30 June 2023	(4,412,256)	4,412,256

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due.

The Scheme determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. Management considers the probability of default to be low, 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.

(i) Cash and cash equivalents

Prior to the termination, the Scheme's exposure to credit risk for cash and cash equivalents was low as all counterparties have a high grade credit rating.

(ii) Receivables for securities sold

All transactions in unlisted unit trusts are settled/unitised when unit prices are issued. The risk of default is considered low except when trading in a suspended unlisted unit trust.

(c) Liquidity risk

Liquidity risk is the risk that the Scheme will not be able to meet its financial obligations as they fall due.

The Scheme did not have any outstanding financial liabilities after the payment of the final return of capital to unitholders at the reporting date. Prior to the termination, the Scheme was exposed to daily cash redemption of redeemable units and payables which were typically settled within 30 days.

11 Financial risk management (continued)

(d) Fair value measurement

The Scheme classifies fair value measurement of its financial assets and liabilities 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, 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 is based on quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

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 by using valuation techniques. These include the use of recent arm's length transactions, reference to current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

Valuation models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in the assumptions for these factors could affect the reported fair value of financial instruments. 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 held.

Investments in unlisted unit trusts are recorded at the unit price as reported by the investment managers of such trusts. The Scheme may make adjustments to the value based on the considerations such as: liquidity of the unlisted unit trust or its underlying investments, the value date of the net asset value provided, or any restrictions on redemptions and the basis of accounting.

11 Financial risk management (continued)

Recognised fair value measurements

7 December 2023

The Scheme did not have any financial assets and liabilities at the reporting date.

30 June 2023

The following table presents the Scheme's financial assets by fair value hierarchy levels:

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Unlisted unit trusts	-	29,415,037	-	29,415,037
Total	-	29,415,037	-	29,415,037

(iii) Transfers between levels

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

There were no transfers between levels as at 7 December 2023 and 30 June 2023.

12 Events occurring after the reporting period

Effective 23 January 2024, KPMG was appointed as auditor for the Scheme. This appointment follows the outcome of an audit tender process. In accordance with this process and section 329(5) of the *Corporations Act 2001*, the Scheme has received the resignation of PricewaterhouseCoopers (PwC) following ASIC's consent to the resignation.

No other significant events have occurred since the reporting date which would have an impact on the financial position of the Scheme as at or on the results and cash flows of the Scheme for the period ended on that date.

13 Contingent assets, liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 7 December 2023 and 30 June 2023.

14 Wind up

All units of the Scheme were redeemed for effective date 28 November 2023 and the final return of capital was paid on 7 December 2023. The Scheme was effectively wound up on 7 December 2023.

Directors' declaration

In the opinion of the directors of Pendal Fund Services Limited, the Responsible Entity of Pendal American Share Fund:

- (a) the financial statements and notes set out on pages 6 to 22 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Scheme's financial position as at 7 December 2023 and of its performance for the period ended on that date;
- (b) note 2(a) confirms that the financial statements comply with International Financial Reporting Standards and Interpretations as issued by the International Accounting Standards Board.

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



Director



Director

Sydney
5 March 2024



Independent Auditor's Report

To the unitholders of Pental American Share Fund

Opinion

We have audited the **Financial Report** Pental American Share Fund (the Scheme).

In our opinion, the accompanying **Financial Report** of the Pental American Share Fund is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Scheme's financial position as at 7 December 2023 and of its financial performance and its cash flows for the period ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 7 December 2023;
- Statement of comprehensive income for the period then ended, Statement of changes in equity, and Statement of cash flows for the period then ended;
- Notes including material accounting policies; and
- Directors' Declaration.

Basis for opinion

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

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

We are independent of the 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 Pental American Share Fund's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors of Pental Fund Services Limited (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.



Emphasis of matter – basis of preparation

We draw attention to note 2(a) of the Financial report, which describes the basis of preparation. The Financial Report has been prepared on a basis other than going concern. The Financial report is prepared on a basis other than going concern following a resolution to wind up the Scheme made by the Board of Directors of the Responsible Entity on 7 December 2023. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Report

The Directors of Pendal American Share Fund (the Scheme) are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the 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: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our Auditor's Report.

KPMG

Karen Hopkins

Partner

Sydney

5 March 2024