

FUTURE DIRECTIONS FUNDS

**DIRECTORS' REPORT AND FINANCIAL REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

**AMP Capital Funds Management Limited
33 Alfred Street,
Sydney, NSW 2000
ACN 159 557 721**

FUTURE DIRECTIONS FUNDS

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FUTURE DIRECTIONS FUNDS

DIRECTORS' REPORT

The Directors of AMP Capital Funds Management Limited (ABN 15 159 557 721), the "Responsible Entity" of the Future Directions Funds (the "Schemes"), listed below, present their report together with the Financial Report of the Schemes for the financial year ended 31 December 2019.

Scheme Name	ARSN
Future Directions Asia Ex-Japan Fund	130 183 041
Future Directions Australian Bond Fund	102 616 106
Future Directions Balanced Fund	095 787 885
Future Directions Conservative Fund	103 660 608
Future Directions Emerging Markets Share Fund	123 384 387
Future Directions Growth Fund	099 391 269
Future Directions High Growth Fund	103 722 569
Future Directions International Bond Fund	102 616 268
Future Directions International Share Fund	089 594 918
Future Directions Moderately Conservative Fund	103 660 715
Future Directions Global Credit Fund	112 835 962

Directors

The Directors of the Responsible Entity during the financial year and up to the date of this report are shown below. Directors were in office for this entire period except where stated otherwise:

Ming Yen Long	Non-Executive Director	
Robert Victor McKinnon	Non-Executive Director	
John Patrick Moorhead	Executive Director	Resigned 2 June 2019
Peter Joseph Seymour Rowe	Non-Executive Director	
Adam Michael Tindall	Executive Director	
Adrian Arthur Williams	Executive Director	Appointed 3 June 2019

Scheme Information

The Schemes are Australian Registered Schemes. AMP Capital Funds Management Limited, the Responsible Entity of the Schemes, is incorporated and domiciled in Australia.

The registered office of the Responsible Entity is located at 33 Alfred Street, Sydney, NSW 2000.

Principal Activity

The principal activity of the Schemes is the investment of unitholders' funds in accordance with each Scheme's mandate. There has been no significant change in the nature of this activity during the financial year.

Review of Results and Operations

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

	Net profit/(loss) attributable to unitholders after tax expenses and before finance costs		Distributions to unitholders paid and/or payable during the financial year	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
Future Directions Asia Ex-Japan Fund	37,398,169	(12,637,930)	25,568,100	20,657,397
Future Directions Australian Bond Fund	202,519,227	117,370,806	147,822,211	83,241,643
Future Directions Balanced Fund	743,834,619	(45,163,418)	286,403,819	610,205,975

FUTURE DIRECTIONS FUNDS

DIRECTORS' REPORT (Continued)

Review of Results and Operations (continued)

	Net profit/(loss) attributable to unitholders after tax expenses and before finance costs		Distributions to unitholders paid and/or payable during the financial year	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
Future Directions Conservative Fund	59,827,851	3,051,179	12,795,914	39,776,008
Future Directions Emerging Markets Share Fund	363,357,811	(107,057,402)	149,609,527	93,201,521
Future Directions Growth Fund	276,219,682	(36,040,914)	94,184,268	160,674,950
Future Directions High Growth Fund	168,809,445	(21,158,020)	55,200,485	84,184,635
Future Directions International Bond Fund	135,313,227	19,404,651	29,637,771	15,610,681
Future Directions International Share Fund	99,715,085	12,492,283	10,978,466	5,634,685
Future Directions Moderately Conservative Fund	138,213,621	(4,920,766)	48,248,149	95,313,805
Future Directions Global Credit Fund	106,256,542	(14,085,623)	-	-

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Schemes during the financial year ended 31 December 2019.

Significant Events After the Balance Date

As at the date of this report, the Directors are not aware of any matter or circumstance that has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Schemes, the results of their operations or their state of affairs, which is not already reflected in the Financial Report.

Likely Developments and Expected Results

The investment strategy will be maintained in accordance with each Scheme's Constitution. Currently, there are no significant developments expected in respect of the Schemes. The performance of the Schemes in the future will be subject to movements in the underlying investment markets over time.

Environmental Regulation and Performance

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

Relevant Information

Following is a list of relevant information required under the Corporations Act:

- Fees paid to the Responsible Entity - refer to Note 8 to the Financial Statements
- Units held by the Responsible Entity in the Schemes - refer to Note 8 to the Financial Statements
- Units issued in the Schemes during the financial year - refer to Note 6 to the Financial Statements
- Units withdrawn from the Schemes during the financial year - refer to Note 6 to the Financial Statements
- The value of the Schemes' assets and basis of valuation - refer to the Statements of Financial Position and Note 1 respectively
- The number of units in the Schemes as at 31 December 2019 - refer to Note 6 to the Financial Statements
- Distributions payable to unitholders at the balance date - refer to the Statements of Financial Position

These notes have been presented in accordance with ASIC Corporations (Directors' Report Relief) Instrument 2016/188.

FUTURE DIRECTIONS FUNDS

DIRECTORS' REPORT (Continued)

Indemnification and Insurance of Directors and Officers

Under its constitution, AMP Capital Funds Management Limited (the Company) indemnifies, to the extent permitted by law, all current and former officers of the company (including the directors) against any liability (including the reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as an officer of the Company. This indemnity is not extended to current or former employees of the AMP group against liability incurred in their capacity as an employee, unless approved by or on behalf of the AMP Limited (the Company's ultimate parent company) Board.

During, and since the end of, the financial year ended 31 December 2019, AMP Limited maintained, and paid the premium for, directors' and officers' and company reimbursement insurance for the benefit of all of the officers of the AMP group (including each director, secretary and senior manager of the Company) against certain liabilities as permitted by the Corporations Act. The insurance policy prohibits disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

In addition, AMP Group Holdings Limited ("AMPGH") and current and former directors and secretaries of the Company are parties to deeds of indemnity, insurance and access. Those deeds provide that:

- those officers will have access to board papers and specified records of the Company (and of certain other companies) for their period of office and for at least ten (or, in some cases, seven) years after they cease to hold office (subject to certain conditions);
- AMPGH indemnifies the relevant officers to the extent permitted by law, and to the extent and for the amount that the relevant officer is not otherwise entitled to be, and is not actually, indemnified by another person;
- the indemnity covers liabilities (including legal costs) incurred by the relevant officer in their capacity as a current or former director or secretary (and, in the case of directors, as a current or former officer or specified representative) of the Company, or of another AMP group company or, in certain cases, of an external company (where the person holds the relevant external position at the AMP group's request); and
- the AMP group will maintain directors' and officers' insurance cover for those officers, to the extent permitted by law, for the period of their office and for at least ten years after they cease to hold office.

During or since the end of the financial year ended 31 December 2019, no payments have been made by the Company to an existing or former officer under an indemnity.

Auditor's Independence Declaration

We have obtained an independence declaration from our auditors, Ernst & Young, a copy of which is attached to this report and forms part of the Directors' Report for the financial year ended 31 December 2019.

Related Scheme Reports

ASIC Corporations (Related Scheme Reports) Instrument 2015/839 allows the Financial Statements and the Directors' Report of related registered schemes to be presented in a single Financial Report. This Financial Report has been prepared in accordance with this relief.

Rounding

The amounts contained in the Directors' Report and the Financial Report have been rounded under the option available to the Schemes under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Schemes are entities to which the instrument applies and, in accordance with the instrument, amounts in the Directors' Report and the Financial Report have been rounded to the nearest dollar (where rounding is appropriate).

Signed in accordance with a resolution of the Directors:



Director
12 March 2020, Sydney



Building a better
working world

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Auditor's Independence Declaration to the Directors of AMP Capital Funds Management Limited

For the following Future Directions Funds (the "Schemes"):

- ▶ Future Directions Asia Ex-Japan Fund
- ▶ Future Directions Australian Bond Fund
- ▶ Future Directions Balanced Fund
- ▶ Future Directions Conservative Fund
- ▶ Future Directions Emerging Markets Share Fund
- ▶ Future Directions Global Credit Fund
- ▶ Future Directions Growth Fund
- ▶ Future Directions High Growth Fund
- ▶ Future Directions International Bond Fund
- ▶ Future Directions International Share Fund
- ▶ Future Directions Moderately Conservative Fund

As lead auditor for the audits of the financial reports of the above Schemes for the financial year ended 31 December 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Mark Jones
Partner
12 March 2020

FUTURE DIRECTIONS FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Notes	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$
INVESTMENT INCOME							
Dividends		6,713,115	6,518,145	-	-	-	-
Distributions		52,068	26,077	45,934,727	27,403,462	311,931,998	334,496,509
Interest income from financial assets measured at amortised cost		63,323	57,932	1,068,627	718,004	1,338,166	1,985,789
Interest income from financial assets measured at fair value through profit or loss		-	-	66,049,646	75,122,241	-	-
Net foreign exchange gain/(loss) on cash and cash equivalents		(71,815)	55,689	1,120,482	92,439	111,767	(2,466,091)
Net changes in the fair value of financial instruments measured at fair value through profit or loss		32,080,945	(17,796,915)	90,706,024	16,620,302	437,275,849	(384,727,352)
Responsible entity fee rebates	8(c)	-	-	186,972	171,774	-	161,666
Securities lending income		11,828	11,034	89,727	-	-	-
Other income		15,464	6,681	4,887	16,810	121,197	14,294,913
Total investment income/(loss)		38,864,928	(11,121,357)	205,161,092	120,145,032	750,778,977	(36,254,566)
EXPENSES							
Interest expense		-	-	(1,055,087)	(208,948)	(1,062,673)	(1,932,604)
Responsible entity fees	8(c)	(69,958)	(78,188)	-	-	(232,549)	-
Performance fees		-	(75,031)	-	-	-	-
Custody fees		(276,650)	(243,774)	(244,654)	(55,395)	(94,990)	(43,981)
Transaction costs		(339,127)	(392,912)	(1,310,339)	(2,509,883)	(168,837)	(483,287)
Securities lending fees - agent		(3,035)	(3,310)	(22,432)	-	-	-
Securities lending fees - service provider	8(c)	(1,183)	(1,103)	(8,973)	-	-	-
Stamp duty		(59,444)	(65,248)	-	-	-	-
Other expenses		(59,247)	(26,259)	(380)	-	(204)	-
Total expenses		(808,644)	(885,825)	(2,641,865)	(2,774,226)	(1,559,253)	(2,459,872)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS							
		38,056,284	(12,007,182)	202,519,227	117,370,806	749,219,724	(38,714,438)
Withholding tax expense		(658,115)	(630,748)	-	-	(5,385,105)	(6,448,980)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS							
		37,398,169	(12,637,930)	202,519,227	117,370,806	743,834,619	(45,163,418)
Finance costs attributable to unitholders							
Distributions to unitholders		(25,568,100)	(20,657,397)	(147,822,211)	(83,241,643)	(286,403,819)	(610,205,975)
(Increase)/decrease in net assets attributable to unitholders		(11,830,069)	33,295,327	(54,697,016)	(34,129,163)	(457,430,800)	655,369,393
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS							
		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR							
		-	-	-	-	-	-

FUTURE DIRECTIONS FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Notes	Future Directions Conservative Fund		Future Directions Emerging Markets Share Fund		Future Directions Growth Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$
INVESTMENT INCOME							
Dividends		-	-	67,228,823	65,845,751	-	-
Distributions		25,675,866	25,538,998	426,098	289,198	109,908,760	115,063,260
Interest income from financial assets measured at amortised cost		238,112	485,155	509,491	678,975	384,457	382,693
Interest income from financial assets measured at fair value through profit or loss		-	-	-	-	-	-
Net foreign exchange gain/(loss) on cash and cash equivalents		(96,098)	43,832	(956,566)	1,335,821	(578,500)	165,469
Net changes in the fair value of financial instruments measured at fair value through profit or loss		34,544,225	(22,791,393)	310,341,771	(161,054,366)	169,343,494	(151,501,579)
Responsible entity fee rebates	8(c)	-	-	-	-	-	-
Securities lending income		-	-	130,108	177,936	-	-
Other income		115,574	655,097	140,338	370,530	24,241	3,107,773
Total investment income/(loss)		60,477,679	3,931,689	377,820,063	(92,356,155)	279,082,452	(32,782,384)
EXPENSES							
Interest expense		(20,400)	(22,998)	(326)	-	(247,862)	(386,730)
Responsible entity fees	8(c)	(280,323)	(256,601)	(75,610)	(86,511)	(372,118)	(346,915)
Performance fees		-	-	-	(158,016)	-	-
Custody fees		(79,134)	(25,821)	(1,846,987)	(2,894,855)	(91,522)	(40,477)
Transaction costs		(20,905)	(36,813)	(4,268,029)	(3,747,893)	(40,580)	(61,528)
Securities lending fees - agent		-	-	(34,097)	(53,381)	-	-
Securities lending fees - service provider	8(c)	-	-	(13,011)	(17,794)	-	-
Stamp duty		-	-	(211,755)	(230,353)	-	-
Other expenses		(175)	-	(347,832)	(347,031)	-	-
Total expenses		(400,937)	(342,233)	(6,797,647)	(7,535,834)	(752,082)	(835,650)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS		60,076,742	3,589,456	371,022,416	(99,891,989)	278,330,370	(33,618,034)
Withholding tax expense		(248,891)	(538,277)	(7,664,605)	(7,165,413)	(2,110,688)	(2,422,880)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS		59,827,851	3,051,179	363,357,811	(107,057,402)	276,219,682	(36,040,914)
Finance costs attributable to unitholders							
Distributions to unitholders		(12,795,914)	(39,776,008)	(149,609,527)	(93,201,521)	(94,184,268)	(160,674,950)
(Increase)/decrease in net assets attributable to unitholders		(47,031,937)	36,724,829	(213,748,284)	200,258,923	(182,035,414)	196,715,864
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS		-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-	-	-	-	-

FUTURE DIRECTIONS FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Notes	Future Directions High Growth Fund		Future Directions International Bond Fund		Future Directions International Share Fund		Future Directions Moderately Conservative Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$	\$	\$
INVESTMENT INCOME									
Dividends		-	-	-	-	-	-	-	-
Distributions		64,381,731	62,672,975	25,303,992	16,038,828	14,261,332	7,809,298	59,187,385	60,059,730
Interest income from financial assets measured at amortised cost		125,413	453,409	315,139	288,662	4,998	20,875	792,635	584,313
Interest income from financial assets measured at fair value through profit or loss		-	-	8,269,813	5,512,029	-	-	-	-
Net foreign exchange gain/(loss) on cash and cash equivalents		116,160	(464,287)	2,791,756	(1,022,652)	-	-	(511,263)	144,133
Net changes in the fair value of financial instruments measured at fair value through profit or loss		105,924,965	(83,348,893)	99,371,179	(994,646)	88,577,350	7,236,710	80,225,903	(63,925,989)
Responsible entity fee rebates	8(c)	-	-	-	-	-	-	-	-
Securities lending income		-	-	1,303	-	-	-	-	-
Other income		15,229	1,366,128	2,106	1,057	642	-	385,346	1,018,818
Total investment income/(loss)		170,563,498	(19,320,668)	136,055,288	19,823,278	102,844,322	15,066,883	140,080,006	(2,118,995)
EXPENSES									
Interest expense		(188,605)	(262,204)	(251)	-	(252)	-	(169,566)	(317,574)
Responsible entity fees	8(c)	(231,568)	(235,704)	(200,816)	(247,795)	(1,391,515)	(1,421,378)	(677,739)	(1,185,116)
Performance fees		-	-	-	-	-	-	-	-
Custody fees		(79,409)	(28,821)	(188,109)	(46,363)	(43,031)	(1,372)	(82,702)	(33,747)
Transaction costs		(23,786)	(35,385)	(16,991)	(26,052)	-	-	(31,692)	(64,413)
Securities lending fees - agent		-	-	(326)	-	-	-	-	-
Securities lending fees - service provider	8(c)	-	-	(130)	-	-	-	-	-
Stamp duty		-	-	-	-	-	-	-	-
Other expenses		(341)	-	(160)	-	-	-	(260)	-
Total expenses		(523,709)	(562,114)	(406,783)	(320,210)	(1,434,798)	(1,422,750)	(961,959)	(1,600,850)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS									
		170,039,789	(19,882,782)	135,648,505	19,503,068	101,409,524	13,644,133	139,118,047	(3,719,845)
Withholding tax expense		(1,230,344)	(1,275,238)	(335,278)	(98,417)	(1,694,439)	(1,151,850)	(904,426)	(1,200,921)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS									
		168,809,445	(21,158,020)	135,313,227	19,404,651	99,715,085	12,492,283	138,213,621	(4,920,766)
Finance costs attributable to unitholders									
Distributions to unitholders		(55,200,485)	(84,184,635)	(29,637,771)	(15,610,681)	(10,978,466)	(5,634,685)	(48,248,149)	(95,313,805)
(Increase)/decrease in net assets attributable to unitholders		(113,608,960)	105,342,655	(105,675,456)	(3,793,970)	(88,736,619)	(6,857,598)	(89,965,472)	100,234,571
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS									
		-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR									
		-	-	-	-	-	-	-	-

FUTURE DIRECTIONS FUNDS

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

		Future Directions Global Credit Fund	
		31 December 2019	31 December 2018
Notes		\$	\$
INVESTMENT INCOME			
	Dividends	-	-
	Distributions	-	-
	Interest income from financial assets measured at amortised cost	919,837	516,911
	Interest income from financial assets measured at fair value through profit or loss	27,074,768	23,939,525
	Net foreign exchange gain/(loss) on cash and cash equivalents	(666,050)	338,973
	Net changes in the fair value of financial instruments measured at fair value through profit or loss	79,333,093	(37,754,151)
	Responsible entity fee rebates	-	-
	Securities lending income	21,194	20,212
	Other income	199,634	22,420
	Total investment income/(loss)	<u>106,882,476</u>	<u>(12,916,110)</u>
EXPENSES			
	Interest expense	(344,661)	(782,437)
	Responsible entity fees	-	-
	Performance fees	-	-
	Custody fees	(153,640)	(245,167)
	Transaction costs	(104,153)	(120,094)
	Securities lending fees - agent	(5,454)	(6,064)
	Securities lending fees - service provider	(2,119)	(2,021)
	Stamp duty	-	-
	Other expenses	-	(6,329)
	Total expenses	<u>(610,027)</u>	<u>(1,162,112)</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS			
		106,272,449	(14,078,222)
	Withholding tax expense	(15,907)	(7,401)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS			
		106,256,542	(14,085,623)
Finance costs attributable to unitholders			
	Distributions to unitholders*	-	-
	(Increase)/decrease in net assets attributable to unitholders*	-	14,085,623
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS			
		<u>106,256,542</u>	<u>-</u>
	Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR			
		<u>106,256,542</u>	<u>-</u>

*Net assets attributable to unitholders were reclassified from liabilities to equity on 31 December 2018. Refer to Note 1(p) for further details. Accordingly, effective from 31 December 2018, distributions to unitholders and (increase)/decrease in net assets attributable to unitholders are no longer presented as finance costs in the Statements of Comprehensive Income. Distributions to unitholders and net profit/(loss) attributable to unitholders are presented in the Statements of Changes in Net Assets Attributable to Unitholders - Equity.

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$	\$	\$
ASSETS									
Cash and cash equivalents		4,035,082	3,068,262	33,915,217	28,004,116	40,781,044	44,462,308	68,326	18,586,992
Broker deposits		-	-	26,927,652	35,141,476	-	77,645,661	-	7,640,399
Receivables	3	432,903	454,354	180,141	221,154	37,715,089	59,867,735	4,186,013	5,722,882
Financial assets measured at fair value through profit or loss									
Listed securities		234,975,530	194,562,159	-	-	-	24,517,340	33,762,931	37,892,949
Listed securities on loan		6,479,763	4,292,726	-	-	-	-	-	-
Interest bearing securities		-	-	1,685,124,639	1,995,585,254	-	-	-	-
Interest bearing securities on loan		-	-	261,355,850	-	-	-	-	-
Derivative financial instruments		-	-	21,429,528	39,360,205	43,122,038	9,153,563	5,226,010	372,646
Unlisted managed investment funds		-	-	612,687,152	603,058,313	4,798,845,482	4,726,868,811	561,395,058	562,994,051
TOTAL ASSETS		245,923,278	202,377,501	2,641,620,179	2,701,370,518	4,920,463,653	4,942,515,418	604,638,338	633,209,919
LIABILITIES									
Bank overdraft		-	-	-	-	-	-	-	-
Payables	4	80,361	96,235	44,916	1,025,340	2,171,013	1,006,686	61,434	107,341
Broker advances		-	-	-	-	14,602,493	-	1,097,278	-
Distributions payable		3,232,366	3,438,334	30,083,828	24,474,378	20,600,871	6,392,787	1,043,770	1,414,536
Provisions	5	-	-	-	-	-	-	-	-
Financial liabilities measured at fair value through profit or loss									
Derivative financial instruments		-	22	29,556,418	49,147,170	3,123,081	62,285,117	150,724	6,437,071
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		3,312,727	3,534,591	59,685,162	74,646,888	40,497,458	69,684,590	2,353,206	7,958,948
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY		-	-	-	-	-	-	-	-
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		242,610,551	198,842,910	2,581,935,017	2,626,723,630	4,879,966,195	4,872,830,828	602,285,132	625,250,971

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund	
		31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$
ASSETS							
Cash and cash equivalents		57,816,010	26,357,072	16,149,944	30,698,147	6,635,620	-
Broker deposits		93,175	663,928	-	11,863,901	-	12,499,801
Receivables	3	7,794,570	5,355,596	13,301,351	23,255,186	8,111,018	8,178,474
Financial assets measured at fair value through profit or loss							
Listed securities		2,070,511,103	1,773,226,009	-	14,574,860	-	7,690,951
Listed securities on loan		48,877,446	38,488,522	-	-	-	-
Interest bearing securities		-	-	-	-	-	-
Interest bearing securities on loan		-	-	-	-	-	-
Derivative financial instruments		583,314	447,707	15,338,988	2,034,107	7,150,486	930,207
Unlisted managed investment funds		-	-	1,509,555,458	1,445,100,299	877,084,936	792,374,218
TOTAL ASSETS		<u>2,185,675,618</u>	<u>1,844,538,834</u>	<u>1,554,345,741</u>	<u>1,527,526,500</u>	<u>898,982,060</u>	<u>821,673,651</u>
LIABILITIES							
Bank overdraft		-	-	-	-	-	1,367,889
Payables	4	416,044	857,596	140,499	109,088	18,411	25,343
Broker advances		-	-	3,277,551	-	929,051	-
Distributions payable		29,230,310	27,820,538	6,278,907	1,208,157	5,303,336	2,629,962
Provisions	5	-	7,063	-	-	-	-
Financial liabilities measured at fair value through profit or loss							
Derivative financial instruments		936,059	225,454	1,128,172	20,199,149	430,375	8,570,503
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>30,582,413</u>	<u>28,910,651</u>	<u>10,825,129</u>	<u>21,516,394</u>	<u>6,681,173</u>	<u>12,593,697</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>2,155,093,205</u>	<u>1,815,628,183</u>	<u>1,543,520,612</u>	<u>1,506,010,106</u>	<u>892,300,887</u>	<u>809,079,954</u>

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Notes	Future Directions International Bond Fund		Future Directions International Share Fund		Future Directions Moderately Conservative Fund	
		31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$
ASSETS							
Cash and cash equivalents		16,944,053	23,144,287	296,650	652,982	14,714,237	40,731,863
Broker deposits		614,562	324,086	-	-	-	14,921,645
Receivables	3	12,461,762	3,503,809	3,235,629	1,749,498	9,058,067	12,363,200
Financial assets measured at fair value through profit or loss							
Listed securities		-	-	-	-	-	3,338,104
Listed securities on loan		-	-	-	-	-	-
Interest bearing securities		254,383,652	219,254,608	-	-	-	-
Interest bearing securities on loan		-	-	-	-	-	-
Derivative financial instruments		9,613,614	3,365,158	-	-	9,009,433	1,590,364
Unlisted managed investment funds		1,721,820,786	1,418,157,916	431,084,735	404,954,122	1,063,854,576	1,046,214,036
TOTAL ASSETS		<u>2,015,838,429</u>	<u>1,667,749,864</u>	<u>434,617,014</u>	<u>407,356,602</u>	<u>1,096,636,313</u>	<u>1,119,159,212</u>
LIABILITIES							
Bank overdraft		-	-	-	-	-	-
Payables	4	82,770	120,283	397,829	340,464	95,387	363,357
Broker advances		-	-	-	-	411,494	-
Distributions payable		13,951,877	4,181,329	2,511,520	1,452,042	4,092,153	1,080,176
Provisions	5	-	-	-	-	-	-
Financial liabilities measured at fair value through profit or loss							
Derivative financial instruments		3,578,460	9,513,785	-	-	575,753	11,573,712
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>17,613,107</u>	<u>13,815,397</u>	<u>2,909,349</u>	<u>1,792,506</u>	<u>5,174,787</u>	<u>13,017,245</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>1,998,225,322</u>	<u>1,653,934,467</u>	<u>431,707,665</u>	<u>405,564,096</u>	<u>1,091,461,526</u>	<u>1,106,141,967</u>

FUTURE DIRECTIONS FUNDS
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	Future Directions Global Credit Fund	
		31 December 2019 \$	31 December 2018 \$
ASSETS			
Cash and cash equivalents		25,631,119	9,490,291
Broker deposits		4,226,604	4,849,430
Receivables	3	781,133	6,302,743
Financial assets measured at fair value through profit or loss			
Listed securities		-	-
Listed securities on loan		-	-
Interest bearing securities		921,797,851	722,508,826
Interest bearing securities on loan		10,649,636	5,225,703
Derivative financial instruments		30,336,172	5,165,755
Unlisted managed investment funds		-	-
TOTAL ASSETS		<u>993,422,515</u>	<u>753,542,748</u>
LIABILITIES			
Bank overdraft		-	-
Payables	4	5,719,115	54,898
Broker advances		-	-
Distributions payable		-	-
Provisions	5	-	-
Financial liabilities measured at fair value through profit or loss			
Derivative financial instruments		6,006,712	28,209,701
TOTAL LIABILITIES		<u>11,725,827</u>	<u>28,264,599</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY*		<u>981,696,688</u>	<u>725,278,149</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>-</u>	<u>-</u>

*Net assets attributable to unitholders were reclassified from liabilities to equity on 31 December 2018. Refer to Note 1(p) for further details.

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at the beginning of the financial year - Liability	198,842,910	227,942,203	2,626,723,630	2,656,119,953	4,872,830,828	5,484,165,529	625,250,971	717,514,647
Applications	22,860,196	1,098,334	365,001,728	45,549,236	3,804,806	10,233,073	8,655,421	4,433,256
Distributions to unitholders reinvested	25,743,737	19,951,787	142,090,056	71,022,207	271,535,830	647,754,960	13,073,418	41,681,503
Redemptions	<u>(16,666,361)</u>	<u>(16,854,087)</u>	<u>(606,577,413)</u>	<u>(180,096,929)</u>	<u>(725,636,069)</u>	<u>(613,953,341)</u>	<u>(91,726,615)</u>	<u>(101,653,606)</u>
	230,780,482	232,138,237	2,527,238,001	2,592,594,467	4,422,535,395	5,528,200,221	555,253,195	661,975,800
Increase/(decrease) in net assets attributable to unitholders	<u>11,830,069</u>	<u>(33,295,327)</u>	<u>54,697,016</u>	<u>34,129,163</u>	<u>457,430,800</u>	<u>(655,369,393)</u>	<u>47,031,937</u>	<u>(36,724,829)</u>
Balance at the end of the financial year - Liability	<u><u>242,610,551</u></u>	<u><u>198,842,910</u></u>	<u><u>2,581,935,017</u></u>	<u><u>2,626,723,630</u></u>	<u><u>4,879,966,195</u></u>	<u><u>4,872,830,828</u></u>	<u><u>602,285,132</u></u>	<u><u>625,250,971</u></u>

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the financial year - Liability	1,815,628,183	1,971,193,233	1,506,010,106	1,709,967,679	809,079,954	896,450,629
Applications	223,728,870	122,489,693	1,254,486	1,670,205	3,342,185	3,406,720
Distributions to unitholders reinvested	148,173,474	85,911,819	88,792,828	172,185,274	52,346,093	88,955,696
Redemptions	(246,185,606)	(163,707,639)	(234,572,222)	(181,097,188)	(86,076,305)	(74,390,436)
	<u>1,941,344,921</u>	<u>2,015,887,106</u>	<u>1,361,485,198</u>	<u>1,702,725,970</u>	<u>778,691,927</u>	<u>914,422,609</u>
Increase/(decrease) in net assets attributable to unitholders	213,748,284	(200,258,923)	182,035,414	(196,715,864)	113,608,960	(105,342,655)
Balance at the end of the financial year - Liability	<u><u>2,155,093,205</u></u>	<u><u>1,815,628,183</u></u>	<u><u>1,543,520,612</u></u>	<u><u>1,506,010,106</u></u>	<u><u>892,300,887</u></u>	<u><u>809,079,954</u></u>

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions International Bond Fund		Future Directions International Share Fund		Future Directions Moderately Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
Balance at the beginning of the financial year - Liability	1,653,934,467	1,487,055,779	405,564,096	437,500,434	1,106,141,967	1,213,194,891
Applications	319,939,903	261,890,454	3,606,127	4,381,777	6,468,276	5,073,119
Distributions to unitholders reinvested	19,834,181	17,007,322	9,756,958	5,712,303	45,013,520	102,546,195
Redemptions	(101,158,685)	(115,813,058)	(75,956,135)	(48,888,016)	(156,127,709)	(114,437,667)
	<u>1,892,549,866</u>	<u>1,650,140,497</u>	<u>342,971,046</u>	<u>398,706,498</u>	<u>1,001,496,054</u>	<u>1,206,376,538</u>
Increase/(decrease) in net assets attributable to unitholders	105,675,456	3,793,970	88,736,619	6,857,598	89,965,472	(100,234,571)
Balance at the end of the financial year - Liability	<u><u>1,998,225,322</u></u>	<u><u>1,653,934,467</u></u>	<u><u>431,707,665</u></u>	<u><u>405,564,096</u></u>	<u><u>1,091,461,526</u></u>	<u><u>1,106,141,967</u></u>

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions Global Credit Fund	
	31 December 2019	31 December 2018
	\$	\$
Balance at the beginning of the financial year - Equity*	725,278,149	-
Net profit/(loss) attributable to unitholders*	106,256,542	-
Other comprehensive income	-	-
Total comprehensive income for the financial year	<u>106,256,542</u>	<u>-</u>
Applications	178,461,998	-
Distributions to unitholders reinvested	-	-
Redemptions	(28,300,001)	-
Distributions to unitholders*	-	-
	<u>150,161,997</u>	<u>-</u>
Reclassification of net assets attributable to unitholders from liabilities to equity - transfer in*	-	725,278,149
Balance at the end of the financial year - Equity*	<u><u>981,696,688</u></u>	<u><u>725,278,149</u></u>

**STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions Global Credit Fund	
	31 December 2019	31 December 2018
	\$	\$
Balance at the beginning of the financial year - Liability*	-	771,263,770
Applications	-	29,000,002
Distributions to unitholders reinvested	-	-
Redemptions	-	(60,900,000)
	<u>-</u>	<u>739,363,772</u>
Increase/(decrease) in net assets attributable to unitholders*	<u>-</u>	<u>(14,085,623)</u>
Reclassification of net assets attributable to unitholders from liabilities to equity - transfer out*	-	(725,278,149)
Balance at the end of the financial year - Liability*	<u><u>-</u></u>	<u><u>-</u></u>

*Net assets attributable to unitholders were reclassified from liabilities to equity on 31 December 2018. Refer to Note 1(p) for further details. Accordingly, effective from 31 December 2018, distributions to unitholders and (increase)/decrease in net assets attributable to unitholders are no longer presented as finance costs in the Statements of Comprehensive Income. Distributions to unitholders and net profit/(loss) attributable to unitholders are presented in the Statements of Changes in Net Assets Attributable to Unitholders - Equity.

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Notes	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sales of financial instruments measured at fair value through profit or loss**	115,500,832	132,192,741	1,599,176,311	1,023,443,532	950,457,796	677,192,564
Payments for purchases of financial instruments measured at fair value through profit or loss**	(126,009,861)	(120,687,089)	(1,428,915,681)	(944,302,395)	(378,053,049)	(147,914,034)
Broker deposits received/(advanced)	-	-	8,213,824	(15,315,905)	92,248,154	(58,303,741)
Dividends received	6,700,947	6,441,218	-	-	-	-
Distributions received	52,068	26,077	4,147,850	94,201	54,283,252	95,974,139
Interest income received	65,555	56,188	67,208,292	75,938,589	1,341,207	1,981,266
Interest expense paid	-	-	(1,055,087)	(208,948)	(1,062,673)	(1,946,929)
GST received/(paid)	21,004	(1,351)	829	(7,241)	8,076	(4,570)
Securities lending income received	11,828	11,034	89,727	-	-	-
Other income received	15,391	6,681	4,887	16,810	4,187,698	10,228,412
Responsible entity fee rebates received	-	-	185,166	170,858	-	158,263
Responsible entity fees paid	(81,823)	(81,243)	-	-	(190,699)	-
Performance fees paid	-	(75,031)	-	-	-	-
Custody fees paid	(351,795)	(397,232)	(262,405)	(96,949)	(111,545)	(36,571)
Withholding tax paid	(658,115)	(630,748)	-	-	(5,385,105)	(6,448,980)
Transaction costs paid	(339,155)	(392,884)	(1,310,339)	(2,509,883)	(168,837)	(483,287)
Securities lending fees paid - agent	(3,035)	(3,310)	(22,432)	-	-	-
Securities lending fees paid - service provider	(1,183)	(1,103)	(8,973)	-	-	-
Stamp duty paid	(59,444)	(65,248)	-	-	-	-
Other expenses paid	(59,247)	(26,259)	(380)	-	(204)	-
Net cash inflow/(outflow) from operating activities	7(a) (5,196,033)	16,372,441	247,451,589	137,222,669	717,554,071	570,396,532
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	22,860,196	1,098,334	365,001,821	45,549,238	3,804,941	10,241,189
Payments for redemptions by unitholders	(16,595,197)	(16,854,226)	(607,540,086)	(179,091,036)	(724,492,138)	(614,584,749)
Distributions paid to unitholders	(30,331)	(22,498)	(122,705)	(78,384)	(659,905)	(2,430,820)
Net cash inflow/(outflow) from financing activities	6,234,668	(15,778,390)	(242,660,970)	(133,620,182)	(721,347,102)	(606,774,380)
Net increase/(decrease) in cash and cash equivalents held	1,038,635	594,051	4,790,619	3,602,487	(3,793,031)	(36,377,848)
Cash and cash equivalents at the beginning of the financial year	3,068,262	2,418,522	28,004,116	24,309,190	44,462,308	83,306,247
Net foreign exchange gain/(loss) on cash and cash equivalents	(71,815)	55,689	1,120,482	92,439	111,767	(2,466,091)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	4,035,082	3,068,262	33,915,217	28,004,116	40,781,044	44,462,308

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(l) Cash and Cash Equivalents and Note 8(b)(i) Related party holdings.

**Certain Schemes invest in interest bearing securities that include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Notes	Future Directions Conservative Fund		Future Directions Emerging Markets Share Fund		Future Directions Growth Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sales of financial instruments measured at fair value through profit or loss**	95,125,923	122,079,510	1,326,891,181	1,047,848,176	265,692,600	246,310,633
Payments for purchases of financial instruments measured at fair value through profit or loss**	(40,393,731)	(19,729,548)	(1,323,999,992)	(1,110,328,593)	(77,118,776)	(74,197,802)
Broker deposits received/(advanced)	8,737,677	(6,957,075)	570,753	(664,172)	15,141,452	(8,942,777)
Dividends received	-	-	65,079,227	65,635,931	-	-
Distributions received	1,612,224	4,298,047	428,269	287,027	17,571,113	28,986,632
Interest income received	237,618	485,083	539,622	655,852	385,769	381,178
Interest expense paid	(19,584)	(22,998)	(326)	-	(247,862)	(386,730)
GST received/(paid)	2,300	(976)	270,127	(122,558)	5,844	(274)
Securities lending income received	-	-	130,108	177,936	-	-
Other income received	115,574	655,097	140,338	370,530	822,060	2,309,954
Responsible entity fee rebates received	-	-	-	-	-	-
Responsible entity fees paid	(283,825)	(261,785)	(75,655)	(88,167)	(364,191)	(349,643)
Performance fees paid	-	-	(7,063)	(150,953)	-	-
Custody fees paid	(84,921)	(25,122)	(2,472,936)	(4,071,656)	(107,666)	(30,587)
Withholding tax paid	(248,891)	(538,277)	(7,721,373)	(7,176,692)	(2,110,688)	(2,422,880)
Transaction costs paid	(20,905)	(36,813)	(4,266,552)	(3,748,424)	(40,580)	(61,528)
Securities lending fees paid - agent	-	-	(34,097)	(53,381)	-	-
Securities lending fees paid - service provider	-	-	(13,011)	(17,794)	-	-
Stamp duty paid	-	-	(211,755)	(230,353)	-	-
Other expenses paid	(175)	-	(347,832)	(347,031)	-	-
Net cash inflow/(outflow) from operating activities	64,779,284	99,945,143	54,899,033	(12,024,322)	219,629,075	191,596,176
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	8,655,459	4,433,218	223,728,870	122,489,693	1,254,506	1,670,185
Payments for redemptions by unitholders	(91,764,049)	(101,606,154)	(246,186,118)	(163,706,609)	(234,532,594)	(181,098,155)
Distributions paid to unitholders	(93,262)	(364,506)	(26,281)	(12,354)	(320,690)	(703,195)
Net cash inflow/(outflow) from financing activities	(83,201,852)	(97,537,442)	(22,483,529)	(41,229,270)	(233,598,778)	(180,131,165)
Net increase/(decrease) in cash and cash equivalents held	(18,422,568)	2,407,701	32,415,504	(53,253,592)	(13,969,703)	11,465,011
Cash and cash equivalents at the beginning of the financial year	18,586,992	16,135,459	26,357,072	78,274,843	30,698,147	19,067,667
Net foreign exchange gain/(loss) on cash and cash equivalents	(96,098)	43,832	(956,566)	1,335,821	(578,500)	165,469
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	68,326	18,586,992	57,816,010	26,357,072	16,149,944	30,698,147

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(l) Cash and Cash Equivalents and Note 8(b)(i) Related party holdings.

**Certain Schemes invest in interest bearing securities that include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions High Growth Fund		Future Directions International Bond Fund		Future Directions International Share Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes	\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES						
Proceeds from sales of financial instruments measured at fair value through profit or loss**	89,196,762	61,684,408	380,281,464	453,599,615	73,527,041	45,421,114
Payments for purchases of financial instruments measured at fair value through profit or loss**	(19,969,798)	(22,835,821)	(615,825,515)	(604,144,494)	-	-
Broker deposits received/(advanced)	13,428,852	(9,055,042)	(290,476)	842,824	-	-
Dividends received	-	-	-	-	-	-
Distributions received	9,303,104	13,539,925	332,976	98,620	1,694,439	1,151,849
Interest income received	125,824	452,841	8,536,989	5,790,522	4,998	20,875
Interest expense paid	(188,605)	(262,204)	(251)	-	-	-
GST received/(paid)	2,044	(392)	7,580	(1,344)	737	20,129
Securities lending income received	-	-	1,303	-	-	-
Other income received	476,859	904,498	1,332	1,057	642	-
Responsible entity fee rebates received	-	-	-	-	-	-
Responsible entity fees paid	(227,892)	(236,027)	(206,108)	(251,863)	(1,377,792)	(1,432,997)
Performance fees paid	-	-	-	-	-	-
Custody fees paid	(90,017)	(23,218)	(189,104)	(139,564)	(30,735)	(1,372)
Withholding tax paid	(1,230,344)	(1,275,238)	(341,685)	(99,199)	(1,694,439)	(1,151,850)
Transaction costs paid	(23,786)	(35,385)	(16,991)	(26,052)	-	-
Securities lending fees paid - agent	-	-	(326)	-	-	-
Securities lending fees paid - service provider	-	-	(130)	-	-	-
Stamp duty paid	-	-	-	-	-	-
Other expenses paid	(341)	-	(160)	-	-	-
Net cash inflow/(outflow) from operating activities	90,802,662	42,858,345	(227,709,102)	(144,329,878)	72,124,891	44,027,748
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	3,342,010	3,406,720	319,940,065	261,890,959	3,605,848	4,381,777
Payments for redemptions by unitholders	(86,076,305)	(74,390,436)	(101,189,911)	(115,800,352)	(75,925,041)	(48,929,725)
Distributions paid to unitholders	(181,018)	(431,940)	(33,042)	(33,070)	(162,030)	(56,931)
Net cash inflow/(outflow) from financing activities	(82,915,313)	(71,415,656)	218,717,112	146,057,537	(72,481,223)	(44,604,879)
Net increase/(decrease) in cash and cash equivalents held	7,887,349	(28,557,311)	(8,991,990)	1,727,659	(356,332)	(577,131)
Cash and cash equivalents at the beginning of the financial year	(1,367,889)	27,653,709	23,144,287	22,439,280	652,982	1,230,113
Net foreign exchange gain/(loss) on cash and cash equivalents	116,160	(464,287)	2,791,756	(1,022,652)	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	6,635,620	(1,367,889)	16,944,053	23,144,287	296,650	652,982

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(l) Cash and Cash Equivalents and Note 8(b)(i) Related party holdings.

**Certain Schemes invest in interest bearing securities that include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

FUTURE DIRECTIONS FUNDS

**STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Notes	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Proceeds from sales of financial instruments measured at fair value through profit or loss**	178,035,567	163,533,461	605,239,946	489,295,082
Payments for purchases of financial instruments measured at fair value through profit or loss**	(74,420,397)	(32,964,941)	(766,761,941)	(486,199,647)
Broker deposits received/(advanced)	15,333,139	(12,238,903)	622,826	(1,352,810)
Dividends received	-	-	-	-
Distributions received	6,379,382	10,690,119	-	-
Interest income received	792,151	583,382	27,987,098	24,521,772
Interest expense paid	(169,566)	(319,777)	(344,661)	(782,437)
GST received/(paid)	4,889	(244)	17,231	(13,902)
Securities lending income received	-	-	21,194	20,212
Other income received	385,346	1,449,901	199,634	516,998
Responsible entity fee rebates received	-	-	-	-
Responsible entity fees paid	(682,558)	(1,128,280)	-	-
Performance fees paid	-	-	-	-
Custody fees paid	(93,795)	(28,649)	(208,538)	(337,777)
Withholding tax paid	(904,426)	(1,200,921)	(16,182)	(7,401)
Transaction costs paid	(31,692)	(64,413)	(104,153)	(120,105)
Securities lending fees paid - agent	-	-	(5,454)	(6,064)
Securities lending fees paid - service provider	-	-	(2,119)	(2,021)
Stamp duty paid	-	-	-	-
Other expenses paid	(260)	-	-	(6,329)
Net cash inflow/(outflow) from operating activities	7(a) 124,627,780	128,310,735	(133,355,119)	25,525,571
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from applications by unitholders	6,468,276	5,073,119	178,461,998	29,000,002
Payments for redemptions by unitholders	(156,379,767)	(114,197,013)	(28,300,001)	(60,900,000)
Distributions paid to unitholders	(222,652)	(607,249)	-	-
Net cash inflow/(outflow) from financing activities	(150,134,143)	(109,731,143)	150,161,997	(31,899,998)
Net increase/(decrease) in cash and cash equivalents held	(25,506,363)	18,579,592	16,806,878	(6,374,427)
Cash and cash equivalents at the beginning of the financial year	40,731,863	22,008,138	9,490,291	15,525,745
Net foreign exchange gain/(loss) on cash and cash equivalents	(511,263)	144,133	(666,050)	338,973
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	14,714,237	40,731,863	25,631,119	9,490,291

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(l) Cash and Cash Equivalents and Note 8(b)(i) Related party holdings.

**Certain Schemes invest in interest bearing securities that include investments with short term maturities. Consequently, investment turnover can be relatively frequent.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the Financial Report are set out below. These policies have been consistently applied to the current financial year and the comparative period, unless otherwise stated. Where necessary, comparative information has been re-presented to be consistent with current period disclosures.

(a) Basis of Preparation

This general purpose Financial Report has been prepared in accordance with each Scheme's Constitution and with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act. The Schemes are for-profit entities for the purposes of preparing Financial Statements. The Financial Report also complies with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The assets and liabilities are measured on a fair value basis, except where otherwise stated.

The Statements of Financial Position presents assets and liabilities in decreasing order of liquidity and does not distinguish between current and non-current items. All of the Schemes' assets and liabilities are held for the purpose of being traded or are expected to be realised within 12 months, except for 'net assets attributable to unitholders - liability'. Given the nature of the Schemes, a reasonable estimate cannot be made of the amount of the balances that are unlikely to be settled within 12 months.

Changes in Australian Accounting Standards

The Schemes have adopted all mandatory standards and amendments for the financial year beginning 1 January 2019. Adoption of these standards and amendments has not had any material effect on the financial position or performance of the Schemes.

Australian Accounting Standards issued but not yet effective

There are no standards or amendments issued but not yet effective that are expected to have a material impact on the Schemes.

(b) Recognition and Derecognition of Financial Assets and Liabilities

Financial assets and financial liabilities are recognised at the date the Schemes become a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to a third party.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

(c) Financial Assets Measured at Fair Value Through Profit or Loss

The Responsible Entity classifies the Schemes' financial instruments based on their business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Schemes' portfolio of financial assets is managed, and their performance are evaluated, on a fair value basis in accordance with the Schemes' documented investment strategy. The Schemes use fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies.

The valuation processes applied in valuing financial instruments measured at fair value through profit or loss are governed by the AMP Capital Holdings Limited Asset Valuation policy which has been adopted by the Responsible Entity. This Policy outlines the valuation methodologies and processes applied to measure such financial instruments.

Equity securities, unlisted managed investments schemes and interest bearing securities are measured at fair value through profit or loss.

Financial assets are initially measured at fair value determined as the purchase cost of the financial asset, exclusive of any transaction costs. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.

Any realised and unrealised gains and losses arising from subsequent measurement to fair value are recognised in the Statements of Comprehensive Income as 'Net changes in the fair value of financial instruments measured at fair value through profit or loss' in the period in which they arise.

Subsequent to initial recognition, the fair value of financial assets measured at fair value through profit or loss is determined as follows:

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Financial Assets Measured at Fair Value Through Profit or Loss (continued)

Securities on loan

Certain Schemes participate in a securities lending program. The securities of the participating Schemes may be lent to approved borrowers, such as brokers and other financial institutions. The borrower lodges collateral against the securities lent either in the form of cash or approved securities.

During the term of the loan, the Schemes remain entitled to all dividends, distributions and interest income and retains all voting rights, where applicable, in respect of the loaned securities. Securities lent may be recalled and are required to be returned within the normal settlement periods applicable to the securities.

Listed securities

Listed securities include investments in listed managed investment funds and shareholdings in listed companies. The fair value of listed securities is the "bid" price of those securities, as quoted on their primary exchange at the balance date. If any listed securities are suspended from the relevant exchange at balance date, fair value is determined by reference to the last traded price, unless it is determined that another valuation basis is more appropriate.

Certain listed securities are on loan. The listed securities continue to be recognised in the Statements of Financial Position as the contractual rights to cash flows and the ability to dispose of the securities are retained by the Schemes.

The fair value of the loaned listed securities remains the "bid" price of those securities as quoted on their primary exchange at the balance date.

Interest bearing securities

The fair value of interest bearing securities and discounted securities which are traded in a recognised market is the "bid" price of those securities, as quoted on the recognised exchange on which they are traded at the balance date.

Where there is no trading activity or valuation models, consensus pricing information from third party pricing services and broker quotes are used to determine an appropriate valuation.

Certain interest bearing securities are on loan. The interest bearing securities continue to be recognised in the Statements of Financial Position as the contractual rights to cash flows and the ability to dispose of the securities are retained by the Schemes.

The fair value of the loaned interest bearing securities remains the "bid" price of those securities as quoted on the recognised exchange on which they are traded at the balance date.

Unlisted managed investment funds

The fair value of unlisted managed investment funds is the redemption price of those securities at the balance date.

(d) Derivative Financial Instruments

Derivative financial instruments are held for trading and are measured at fair value through profit or loss. The Schemes do not designate any derivatives as a hedging instrument for hedge accounting purposes. Derivative financial instruments are initially measured at fair value exclusive of any transaction costs on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. Transaction costs are expensed as incurred in the Statements of Comprehensive Income.

Derivative financial instruments are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Any changes in the fair value of derivative financial instruments are recognised in the Statements of Comprehensive Income as 'Net changes in the fair value of financial instruments measured at fair value through profit or loss' in the period in which they arise.

Where the Schemes' derivative assets and liabilities are traded on an exchange, their fair value is determined by reference to quoted market prices or binding dealer quotations at the balance date.

Where the Schemes' derivative assets and liabilities are not traded on an exchange, their fair value is determined by reference to counterparty valuations or by the Investment Manager.

The valuation processes applied in valuing financial instruments measured at fair value through profit or loss are governed by the AMP Capital Holdings Limited Asset Valuation policy which has been adopted by the Responsible Entity. This Policy outlines the valuation methodologies and processes applied to measure such financial instruments.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Derivative Financial Instruments (continued)

Interest rate swaps

Interest rate swap contracts are contractual obligations to exchange interest rate cash flows, based on a specified notional principal amount, for example, from a fixed rate to a floating rate (or vice versa). The party with the higher interest obligation pays the net amount to the other party. The fair value of interest rate swaps is determined by using discounted cash flow models. The most significant inputs into those models are interest rate yield curves which are developed from publicly quoted rates at the balance date.

Credit default swaps

Credit default swaps are contracts where there is a transfer of the credit exposure to provide the lender with a means of protection against credit risk. The fair value of credit default swaps is determined by using discounted cash flow models. The most significant inputs into those models are market observable yield and credit default swap curves developed from publicly quoted rates at the balance date.

Futures contracts

Futures contracts are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The fair value of equity and interest rate futures contracts is the last quoted sale price on the relevant futures exchange at the balance date.

Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price.

The fair value of unlisted options is determined from quotes supplied by brokers or counterparties at the balance date.

Forward foreign exchange contracts

Forward currency contracts are agreements to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. The fair value of forward foreign exchange contracts is determined by reference to currency exchange rates available from market observable sources at the balance date.

Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. The fair value of warrants is the "bid" price of the security, as quoted on its primary exchange at the balance date.

(e) Repurchase Agreements

Securities subject to repurchase agreements are recognised in the Statements of Financial Position as the risk and rewards of ownership remain within the investment portfolio. Collateral received from the counterparty is classified as an asset and disclosed as 'Deposits out - sale and repurchase agreements' in the Statements of Financial Position. The obligation to return this collateral is classified as a liability and disclosed as 'Deposits in - sale and repurchase agreements' in the Statements of Financial Position.

(f) Significant Accounting Judgements, Estimates and Assumptions

The making of judgements, estimates and assumptions is a necessary part of the financial reporting process and these judgements, estimates and assumptions can have a significant effect on the reported amounts in the Financial Report. Estimates and assumptions are determined based on information available at the time of preparing the Financial Report and actual results may differ from these estimates and assumptions. Had different estimates and assumptions been adopted, this may have had a significant impact on the Financial Report. Significant accounting judgements, estimates and assumptions are re-evaluated at each balance date in light of historical experience and changes to reasonable expectations of future events. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Significant accounting judgements, estimates and assumptions include but are not limited to:

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Significant Accounting Judgements, Estimates and Assumptions (continued)

Fair value measurement of investments in financial instruments

The majority of the Schemes' investments are financial instruments held for trading and are measured at fair value through profit or loss. Where available, quoted market prices for the same or similar instrument are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Judgement is applied in selecting valuation techniques and setting valuation assumptions and inputs. Further details on the determination of fair value of financial assets and derivative financial instruments is set out in Note 1(c), 1(d) and 9(d).

Investment entity exception

An investment entity is an entity that:

- (a) obtains funds from one or more unitholders for the purpose of providing the unitholder(s) with investment management services
- (b) commits to its unitholder(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- (c) measures and evaluates the performance of substantially all of its investments on a fair value basis.

Typical characteristics of an investment entity include:

- (a) it has more than one investment;
- (b) it has more than one unitholder;
- (c) it has unitholders that are not related parties of the entity; and
- (d) it has ownership interests in the form of equity or similar interests.

The Schemes outlined in Note 10 have been determined to be investment entities even though some of the unitholders are related parties (as outlined in Note 8). All transactions between the Schemes and their related parties are at market value and on normal commercial terms and conditions. This includes purchases and sales of financial instruments as well as applications and redemptions of units. As such, the related parties do not transact with the Schemes on terms that are unavailable to other unitholders therefore this does not preclude the Schemes from meeting the definition of an investment entity.

Assessment of Schemes' investments as structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding control. Structured entities are generally created to achieve a narrow and well defined objective with restrictions around their ongoing activities. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Schemes.

The Responsible Entity has assessed whether the managed investment funds in which the Schemes invest in should be classified as structured entities. The Responsible Entity has considered the voting rights and other similar rights afforded to investors in these funds, including the rights to remove the fund manager or redeem holdings. The Responsible Entity has concluded on whether these rights are the dominant factor in controlling the funds, or whether the contractual agreement with the fund manager is the dominant factor in controlling these funds.

As voting rights or similar rights are the dominant factor in deciding who controls the funds, the Responsible Entity has concluded that the managed investment funds in which the Schemes invest in are not structured entities.

(g) Investment Income

The following specific recognition criteria must be met before income is recognised:

Dividend income

Dividends are recognised as income on the date the share is quoted ex-dividend with any related foreign withholding tax recognised as a tax expense.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Investment Income (continued)

Distribution income

Distributions from unlisted managed investment funds are recognised as income on the date the unit is quoted ex-distribution with any related foreign withholding tax recognised as a tax expense.

Distributions from listed managed investment funds are recognised as income on the date the unit is quoted ex-distribution with any related foreign withholding tax recognised as a tax expense.

Net changes in the fair value of financial instruments measured at fair value through profit or loss

Net changes in the fair value of financial instruments are recognised as income and are determined as the difference between the fair value at the balance date or consideration received (if sold during the financial year) and the fair value as at the prior balance date or initial fair value (if acquired during the financial year).

Interest income from financial assets measured at amortised cost

Interest income from financial assets measured at amortised cost is earned on cash and cash equivalents and is recognised on an accrual basis.

Interest income from financial assets measured at fair value through profit or loss

Interest income from financial assets measured at fair value through profit or loss is income earned on interest bearing securities and is recognised on the date that the Schemes are entitled to receive the interest coupon.

Securities lending income

Securities lending income as part of a securities lending program that the Schemes participate in is recognised on an accrual basis with any related expenses recognised as security lending fees.

(h) Responsible Entity Fee Rebates

Fees may be reimbursed to the Schemes by the Responsible Entity in accordance with specific fee structures applicable to each class of units. These are recognised in the Statements of Comprehensive Income on an accrual basis.

(i) Expenses

Expenses are recognised in the Statements of Comprehensive Income on an accrual basis.

(j) Broker Deposits

Broker deposits comprise cash held with brokers as collateral for derivative transactions.

(k) Broker Advances

Broker advances comprise cash paid by brokers on behalf of the Schemes as collateral for derivative transactions.

(l) Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, cash and cash equivalents include deposits held at call with a bank or financial institution with an original maturity date of three months or less. Cash and cash equivalents also include investments in unlisted cash trusts (including related party holdings - refer to Note 8(b)(i)), which are readily convertible to cash on hand at the Responsible Entity's option and which the Responsible Entity uses in its day to day management of the Schemes' cash requirements.

Bank overdrafts are shown separately in the Statements of Financial Position.

(m) Provisions

Provisions are liabilities of uncertain timing or amounts. Performance fees payable by the Schemes are recognised as a provision as the amount reflected in the Statements of Financial Position is a reliable estimate, based on current calculations, of the final amount payable.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Receivables

Receivables are recognised for amounts where settlement has not yet occurred. Receivables are measured at amortised cost and are generally received within 30 days of being recognised as receivables. Given the short-term nature of most receivables, their carrying amounts approximate their fair values.

Impairment

The Schemes record expected credit losses (ECLs) on all of its receivables, either on a 12-month or lifetime basis. Given the limited exposure of the Schemes to credit risk, no material ECL has been recognised. The Schemes only hold receivables with no financing component and that have maturities of less than 12 months.

(o) Payables

Payables are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Schemes. Payables are measured at their nominal amounts. Amounts are generally paid within 30 days of being recognised as payables. Given the short-term nature of most payables, their nominal amounts approximate their fair values.

(p) Net Assets Attributable to Unitholders

Net assets attributable to unitholders comprise units on issue and undistributed reserves. On 5 May 2016, the Attribution Managed Investment Trust ("AMIT") tax regime, applying to Managed Investment Trusts was enacted under the Tax Laws Amendment (New Tax System for Managed Investment Trusts) Act 2016. In order to allow the Schemes to elect into the AMIT tax regime, each Scheme's Constitution has been amended and other conditions required to adopt the AMIT tax regime have also been met effective from 31 December 2018. Adopting the AMIT tax regime removes the Responsible Entity's contractual obligation to distribute trust income to unitholders.

For Schemes with multiple classes of units, as the units on issue comprise multiple classes of units with non-identical features, the Schemes' net assets attributable to unitholders cannot be classified as equity; and therefore, have continued to be classified as liabilities in accordance with AASB 132 Financial Instruments: Presentation. As there are no equity holders, total comprehensive income and equity for the Schemes are nil.

For Schemes with a single class of units, prior to 31 December 2018, net assets attributable to unitholders were classified as liabilities and not as equity because the Responsible Entity had a contractual obligation to pay distributable income of the Schemes to unitholders and units are redeemable at the unitholders' option (subject to the provisions of each Scheme's Constitution). As the Responsible Entity no longer has any contractual obligations to pay distributions, and the units on issue comprise one class of units with identical features which are equally subordinate to any other financial instruments on issue, the Schemes' net assets attributable to unitholders have been reclassified to equity in accordance with AASB 132 Financial Instruments: Presentation.

The fair value of units requested to be redeemed is measured at the redemption amount that would be payable (based on the exit unit price) at the balance date. Each Scheme's redemption unit price is based on different valuation principles to that applied in financial reporting, resulting in a valuation difference which is treated as a component of net assets attributable to unitholders. Units are redeemable at the unitholders' option, however, applications and redemptions may be suspended by the Responsible Entity if it is in the best interest of the unitholders. Furthermore, holders of these instruments typically retain them for the medium to long term. As such, the amount expected to be settled within twelve months after the end of the reporting period cannot be reliably determined.

(q) Taxation

Under tax legislation, the Schemes are generally not liable to pay income tax because the AMIT tax regime now applies and unitholders are attributed the income of each Scheme.

The Schemes currently incur withholding tax imposed by certain countries on investment income. Such income is recognised gross of withholding tax in the Statements of Comprehensive Income and the withholding tax is recognised as a tax expense.

(r) Distributions to Unitholders

Adopting the AMIT tax regime from 31 December 2018 removes the Responsible Entity's contractual obligation to distribute trust income to unitholders.

For Schemes with a single class of units, distributions are presented in the Statements of Changes in Net Assets Attributable to Unitholders – Equity, from 31 December 2018. In the comparative period, in accordance with each Scheme's Constitution, the Schemes had a contractual obligation to distribute the distributable income to unitholders. Such distributions were determined by reference to the taxable income of each Scheme. Distributions were presented in the Statements of Comprehensive Income as finance costs attributable to unitholders. Refer to Note 1(p) for further details.

For Schemes with multiple classes of units, distributions are presented in the Statements of Comprehensive Income as finance costs attributable to unitholders.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Foreign Currency Transactions

(i) Functional and presentation currency

Items included in the Financial Report are measured using the currency of the primary economic environment in which it operates (the "functional currency"). The presentation currency of this Financial Report, and the functional currency of the Schemes, is the Australian dollar.

(ii) Transactions and balances

Income and expense items denominated in a currency other than the functional currency are translated at the spot exchange rate at the date of the transaction. All monetary items denominated in foreign currencies are translated to Australian dollars using the exchange rate at the balance date, with exchange gains and losses recognised in the Statements of Comprehensive Income.

Non-monetary items measured at fair value in foreign currencies are translated to Australian dollars using the exchange rate at the date when the fair value was determined.

(t) Terms and Conditions of Units on Issue

The Schemes contain multiple unit classes. Each unit, within a unit class, confers upon the unitholder an equal interest in the Schemes (subject to income entitlements), and is of equal value. A unit does not confer an interest in any particular asset or investment of the Schemes.

Unitholders have various rights under each Scheme's Constitution and the Corporations Act, which, subject to certain terms and conditions, include the right to:

- have their units redeemed
- attend and vote at meetings of unitholders
- participate in the termination and winding up of the Schemes.

The rights, obligations and restrictions attached to each unitholder class are identical in all respects other than the minimum investment requirements and/or fee structures applicable to each class. These terms are detailed in each Scheme's Constitution and other governing documents, as applicable.

Issued and paid up units are initially recognised at the fair value of the consideration received by the Schemes. Applications received for units in the Schemes are recognised net of any transaction costs arising on the issue of units in the Schemes. Redemptions from the Schemes are recognised gross of any transaction costs payable relating to the cancellation of units redeemed. Unit entry and exit prices are determined in accordance with each Scheme's Constitution.

(u) Goods and Services Tax ("GST")

All income, expenses and assets are recognised net of any GST paid, except where they relate to products and services which are input taxed for GST purposes or the GST incurred is not recoverable from the relevant tax authorities. In such circumstances, the GST paid is recognised as part of the cost of acquisition of the assets or as part of the relevant expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from or payable to the tax authorities is included as a receivable or payable in the Statements of Financial Position.

Cash flows are disclosed on a gross basis reflecting any GST paid or collected. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, local tax authorities are classified as operating cash flows.

(v) Rounding

The amounts in the Financial Report have been rounded to the nearest dollar, under the option available to the Schemes under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 2: AUDITORS' REMUNERATION

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Amounts paid or payable to the auditors of the Schemes:								
Ernst & Young - audit and review of the Financial Statements	14,850	14,560	33,960	33,290	33,960	33,290	14,850	14,560
Ernst & Young - audit of compliance plan	2,008	1,240	2,008	1,240	2,008	1,240	2,008	1,240
Non Ernst & Young audit firms - audit of the Financial Statements	-	-	3,435	3,000	-	-	-	-
	<u>16,858</u>	<u>15,800</u>	<u>39,403</u>	<u>37,530</u>	<u>35,968</u>	<u>34,530</u>	<u>16,858</u>	<u>15,800</u>

	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund		Future Directions International Bond Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Amounts paid or payable to the auditors of the Schemes:								
Ernst & Young - audit and review of the Financial Statements	23,350	22,890	33,960	33,290	14,850	14,560	33,960	33,290
Ernst & Young - audit of compliance plan	2,008	1,240	2,008	1,240	2,008	1,240	2,008	1,240
Non Ernst & Young audit firms - audit of the Financial Statements	-	-	-	-	-	-	-	-
	<u>25,358</u>	<u>24,130</u>	<u>35,968</u>	<u>34,530</u>	<u>16,858</u>	<u>15,800</u>	<u>35,968</u>	<u>34,530</u>

	Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
Amounts paid or payable to the auditors of the Schemes:						
Ernst & Young - audit and review of the Financial Statements	14,850	14,560	33,960	33,290	9,550	9,360
Ernst & Young - audit of compliance plan	2,008	1,240	2,008	1,240	2,008	1,240
Non Ernst & Young audit firms - audit of the Financial Statements	-	-	-	-	-	-
	<u>16,858</u>	<u>15,800</u>	<u>35,968</u>	<u>34,530</u>	<u>11,558</u>	<u>10,600</u>

For further details of expenses incurred by the Responsible Entity and the Schemes, refer to Note 8(c).

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 3: RECEIVABLES

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Dividends receivable	416,612	404,444	-	-	-	-	-	-
Distributions receivable	-	-	57,245	95,322	37,706,265	35,776,259	4,178,001	3,513,026
Interest receivable	1,133	3,365	6,355	96,374	2,152	5,193	653	159
Outstanding settlements receivable	-	10,456	86,199	-	-	20,000,000	-	2,200,000
Applications receivable*	-	-	-	93	-	135	-	38
GST receivable	15,085	36,089	13,854	14,683	6,672	14,748	7,359	9,659
Responsible entity fee rebates receivable	-	-	16,488	14,682	-	4,899	-	-
Withholding tax reclaims receivable	-	-	-	-	-	-	-	-
Other receivables	73	-	-	-	-	4,066,501	-	-
	<u>432,903</u>	<u>454,354</u>	<u>180,141</u>	<u>221,154</u>	<u>37,715,089</u>	<u>59,867,735</u>	<u>4,186,013</u>	<u>5,722,882</u>
	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund		Future Directions International Bond Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Dividends receivable	6,669,838	4,520,242	-	-	-	-	-	-
Distributions receivable	-	2,171	13,291,530	13,140,370	8,103,678	7,707,224	12,368,233	3,457,682
Interest receivable	15,198	45,329	632	1,944	397	808	70,110	22,147
Outstanding settlements receivable	926,732	391,693	-	9,300,000	-	-	-	-
Applications receivable*	-	-	-	20	175	-	-	162
GST receivable	86,387	356,514	9,189	15,033	6,768	8,812	15,456	23,036
Responsible entity fee rebates receivable	-	-	-	-	-	-	-	-
Withholding tax reclaims receivable	96,415	39,647	-	-	-	-	7,189	782
Other receivables	-	-	-	797,819	-	461,630	774	-
	<u>7,794,570</u>	<u>5,355,596</u>	<u>13,301,351</u>	<u>23,255,186</u>	<u>8,111,018</u>	<u>8,178,474</u>	<u>12,461,762</u>	<u>3,503,809</u>
	Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018		
	\$	\$	\$	\$	\$	\$		
Dividends receivable	-	-	-	-	-	-		
Distributions receivable	3,008,912	1,722,323	9,041,915	7,842,643	-	-		
Interest receivable	-	-	1,571	1,087	13,432	5,925		
Outstanding settlements receivable	200,000	-	-	4,500,000	760,665	6,272,826		
Applications receivable*	279	-	-	-	-	-		
GST receivable	26,438	27,175	14,581	19,470	6,761	23,992		
Responsible entity fee rebates receivable	-	-	-	-	-	-		
Withholding tax reclaims receivable	-	-	-	-	275	-		
Other receivables	-	-	-	-	-	-		
	<u>3,235,629</u>	<u>1,749,498</u>	<u>9,058,067</u>	<u>12,363,200</u>	<u>781,133</u>	<u>6,302,743</u>		

*Applications receivable represents uncontributed capital.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 4: PAYABLES

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible entity fees payable	5,692	17,557	-	-	36,951	-	21,856	25,358
Interest payable	-	-	-	-	-	-	816	-
Custody fees payable	-	75,145	63	17,814	-	16,555	118	5,905
Transaction costs payable	-	28	-	-	-	-	-	-
Outstanding settlements payable	-	-	-	-	-	-	-	-
Redemptions payable	74,669	3,505	44,853	1,007,526	2,134,062	990,131	38,644	76,078
	<u>80,361</u>	<u>96,235</u>	<u>44,916</u>	<u>1,025,340</u>	<u>2,171,013</u>	<u>1,006,686</u>	<u>61,434</u>	<u>107,341</u>

	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund		Future Directions International Bond Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Responsible entity fees payable	6,169	6,214	34,246	26,319	18,329	14,653	14,183	19,475
Custody fees payable	-	625,949	-	16,144	82	10,690	85	1,080
Transaction costs payable	2,111	634	-	-	-	-	-	-
Outstanding settlements payable	406,760	223,283	-	-	-	-	-	-
Redemptions payable	1,004	1,516	106,253	66,625	-	-	68,502	99,728
	<u>416,044</u>	<u>857,596</u>	<u>140,499</u>	<u>109,088</u>	<u>18,411</u>	<u>25,343</u>	<u>82,770</u>	<u>120,283</u>

	Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$
Responsible entity fees payable	354,187	340,464	52,017	56,836	-	-
Interest payable	252	-	-	-	-	-
Custody fees payable	12,296	-	170	11,263	-	54,898
Transaction costs payable	-	-	-	-	-	-
Outstanding settlements payable	-	-	-	-	5,719,115	-
Redemptions payable	31,094	-	43,200	295,258	-	-
	<u>397,829</u>	<u>340,464</u>	<u>95,387</u>	<u>363,357</u>	<u>5,719,115</u>	<u>54,898</u>

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 5: PROVISIONS

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Performance fees provision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund		Future Directions International Bond Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Performance fees provision	\$ -	\$ 7,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<u>-</u>	<u>7,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>7,063</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
	Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund			
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018		
Performance fees provision	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>		

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

The movement in the number of units on issue during the financial year was as follows:

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue								
Opening balance	146,052,047	142,809,477	2,646,234,223	2,710,258,643	4,534,253,831	4,480,570,964	590,540,553	640,349,971
Applications	14,785,508	765,858	353,813,767	46,032,274	3,123,518	8,436,629	7,693,298	4,079,840
Distributions to unitholders reinvested	18,647,392	13,071,924	138,583,449	71,888,238	239,723,169	573,189,282	11,768,007	38,461,432
Redemptions	(11,828,110)	(10,595,212)	(584,762,556)	(181,944,932)	(630,011,434)	(527,943,044)	(82,212,123)	(92,350,690)
Closing balance	<u>167,656,837</u>	<u>146,052,047</u>	<u>2,553,868,883</u>	<u>2,646,234,223</u>	<u>4,147,089,084</u>	<u>4,534,253,831</u>	<u>527,789,735</u>	<u>590,540,553</u>
Represented by:								
Retail Class								
Opening balance	1,094,459	1,145,830	4,726,905	5,481,664	62,095,718	62,528,300	13,017,286	14,642,730
Applications	40,399	23,611	49,498	72,722	1,634,848	1,866,963	260,997	209,151
Distributions to unitholders reinvested	87,176	65,733	142,206	58,809	1,660,038	6,121,370	138,395	593,203
Redemptions	(163,463)	(140,715)	(1,223,885)	(886,290)	(9,081,063)	(8,420,915)	(2,765,828)	(2,427,798)
Closing balance	<u>1,058,571</u>	<u>1,094,459</u>	<u>3,694,724</u>	<u>4,726,905</u>	<u>56,309,541</u>	<u>62,095,718</u>	<u>10,650,850</u>	<u>13,017,286</u>
No Fee Class								
Opening balance	144,607,430	141,342,513	-	-	-	-	-	-
Applications	14,716,844	720,215	-	-	-	-	-	-
Distributions to unitholders reinvested	18,531,926	12,984,868	-	-	-	-	-	-
Redemptions	(11,557,706)	(10,440,166)	-	-	-	-	-	-
Closing balance	<u>166,298,494</u>	<u>144,607,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Explicit Pricing Class								
Opening balance	350,158	321,134	830,676	942,947	6,250,225	6,438,747	2,754,087	2,840,949
Applications	28,265	22,032	8,869	8,660	258,017	294,135	82,688	60,568
Distributions to unitholders reinvested	28,290	21,323	28,120	13,098	169,404	583,692	33,719	122,436
Redemptions	(106,941)	(14,331)	(127,417)	(134,029)	(2,482,104)	(1,066,349)	(401,867)	(269,866)
Closing balance	<u>299,772</u>	<u>350,158</u>	<u>740,248</u>	<u>830,676</u>	<u>4,195,542</u>	<u>6,250,225</u>	<u>2,468,627</u>	<u>2,754,087</u>

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Wholesale Class								
Opening balance	-	-	2,913,200	3,637,742	7,732,372	9,692,270	4,072,330	4,270,339
Applications	-	-	86,231	73,272	215,261	552,413	38,772	74,372
Redemptions	-	-	(1,327,467)	(797,814)	(1,528,755)	(2,512,311)	(1,213,226)	(272,381)
Closing balance	-	-	1,671,964	2,913,200	6,418,878	7,732,372	2,897,876	4,072,330
No Fee 1 Class								
Opening balance	-	-	2,637,763,442	2,700,196,290	4,429,136,207	4,375,781,025	570,696,648	618,595,751
Applications	-	-	353,669,169	45,877,620	987,849	5,649,030	7,310,841	3,735,749
Distributions to unitholders reinvested	-	-	138,413,123	71,816,331	236,681,612	563,356,538	11,595,893	37,745,793
Redemptions	-	-	(582,083,787)	(180,126,799)	(616,489,300)	(515,650,386)	(77,831,202)	(89,380,645)
Closing balance	-	-	2,547,761,947	2,637,763,442	4,050,316,368	4,429,136,207	511,772,180	570,696,648
On-Platform A Class								
Opening balance	-	-	-	-	29,039,309	26,130,622	202	202
Applications	-	-	-	-	27,543	74,088	-	-
Distributions to unitholders reinvested	-	-	-	-	1,212,115	3,127,682	-	-
Redemptions	-	-	-	-	(430,212)	(293,083)	-	-
Closing balance	-	-	-	-	29,848,755	29,039,309	202	202
New Retail Class								
Opening balance	-	-	-	-	-	-	-	-
Applications	-	-	-	-	-	-	-	-
Redemptions	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund		Future Directions International Bond Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue								
Opening balance	1,641,943,404	1,598,132,893	1,384,778,888	1,387,427,892	600,172,465	587,812,830	1,904,660,793	1,715,469,903
Applications	188,413,165	102,620,490	983,517	1,267,438	2,355,360	2,281,789	354,849,800	303,843,207
Distributions to unitholders reinvested	128,577,797	71,517,253	76,065,760	148,043,613	35,797,518	61,091,048	22,047,834	19,680,439
Redemptions	(206,230,991)	(130,327,232)	(198,482,950)	(151,960,055)	(58,299,485)	(51,013,202)	(109,825,115)	(134,332,756)
Closing balance	<u>1,752,703,375</u>	<u>1,641,943,404</u>	<u>1,263,345,215</u>	<u>1,384,778,888</u>	<u>580,025,858</u>	<u>600,172,465</u>	<u>2,171,733,312</u>	<u>1,904,660,793</u>
Represented by:								
Retail Class								
Opening balance	2,169,109	2,485,842	28,810,807	29,630,916	13,222,810	14,662,274	9,165,827	10,877,255
Applications	28,834	29,016	686,241	760,136	763,054	309,506	164,495	277,525
Distributions to unitholders reinvested	107,515	40,416	1,229,906	2,302,872	556,972	1,087,959	10,863	-
Redemptions	(429,533)	(386,165)	(5,477,484)	(3,883,117)	(2,705,959)	(2,836,929)	(2,054,569)	(1,988,953)
Closing balance	<u>1,875,925</u>	<u>2,169,109</u>	<u>25,249,470</u>	<u>28,810,807</u>	<u>11,836,877</u>	<u>13,222,810</u>	<u>7,286,616</u>	<u>9,165,827</u>
No Fee Class								
Opening balance	1,639,213,030	1,595,029,953	-	-	-	-	-	-
Applications	188,375,588	102,569,724	-	-	-	-	-	-
Distributions to unitholders reinvested	128,442,712	71,465,656	-	-	-	-	-	-
Redemptions	(205,773,733)	(129,852,303)	-	-	-	-	-	-
Closing balance	<u>1,750,257,597</u>	<u>1,639,213,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Explicit Pricing Class								
Opening balance	561,265	617,098	4,022,050	4,138,338	3,517,068	3,119,573	2,574,630	3,054,011
Applications	8,743	21,750	165,105	298,658	105,890	213,994	120,917	78,887
Distributions to unitholders reinvested	27,570	11,181	184,323	348,385	171,061	296,723	5,926	-
Redemptions	(27,725)	(88,764)	(509,159)	(763,331)	(383,502)	(113,222)	(526,087)	(558,268)
Closing balance	<u>569,853</u>	<u>561,265</u>	<u>3,862,319</u>	<u>4,022,050</u>	<u>3,410,517</u>	<u>3,517,068</u>	<u>2,175,386</u>	<u>2,574,630</u>

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund		Future Directions International Bond Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Wholesale Class								
Opening balance	-	-	3,046,758	3,884,502	1,639,818	1,922,274	5,009,663	6,513,052
Applications	-	-	132,171	208,644	116,190	187,011	69,972	142,525
Redemptions	-	-	(365,860)	(1,046,388)	(114,890)	(469,467)	(3,950,590)	(1,645,914)
Closing balance	-	-	2,813,069	3,046,758	1,641,118	1,639,818	1,129,045	5,009,663
No Fee 1 Class								
Opening balance	-	-	1,348,899,273	1,349,746,262	581,792,769	568,108,709	1,885,725,557	1,692,455,941
Applications	-	-	-	-	1,370,226	1,571,278	354,313,351	302,601,061
Distributions to unitholders reinvested	-	-	74,651,531	145,392,356	35,069,485	59,706,366	22,031,045	19,680,439
Redemptions	-	-	(192,130,447)	(146,239,345)	(55,095,134)	(47,593,584)	(101,668,481)	(129,011,884)
Closing balance	-	-	1,231,420,357	1,348,899,273	563,137,346	581,792,769	2,160,401,472	1,885,725,557
On-Platform A Class								
Opening balance	-	-	-	27,874	-	-	2,185,116	2,569,644
Applications	-	-	-	-	-	-	181,065	743,209
Distributions to unitholders reinvested	-	-	-	-	-	-	-	-
Redemptions	-	-	-	(27,874)	-	-	(1,625,388)	(1,127,737)
Closing balance	-	-	-	-	-	-	740,793	2,185,116
New Retail Class								
Opening balance	-	-	-	-	-	-	-	-
Applications	-	-	-	-	-	-	-	-
Redemptions	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue						
Opening balance	239,897,950	262,231,430	992,486,034	996,217,764	535,595,954	559,696,070
Applications	1,783,124	2,199,881	5,529,468	4,428,015	125,126,491	20,976,492
Distributions to unitholders reinvested	5,122,588	3,259,034	38,271,857	88,600,107	-	-
Redemptions	<u>(39,216,419)</u>	<u>(27,792,395)</u>	<u>(132,288,705)</u>	<u>(96,759,852)</u>	<u>(18,753,626)</u>	<u>(45,076,608)</u>
Closing balance	<u><u>207,587,243</u></u>	<u><u>239,897,950</u></u>	<u><u>903,998,654</u></u>	<u><u>992,486,034</u></u>	<u><u>641,968,819</u></u>	<u><u>535,595,954</u></u>
Represented by:						
Retail Class						
Opening balance	16,123,651	17,775,045	30,101,365	32,412,746	-	-
Applications	601,307	277,997	315,495	346,845	-	-
Distributions to unitholders reinvested	147,009	-	752,117	2,223,222	-	-
Redemptions	<u>(2,062,230)</u>	<u>(1,929,391)</u>	<u>(6,109,223)</u>	<u>(4,881,448)</u>	<u>-</u>	<u>-</u>
Closing balance	<u><u>14,809,737</u></u>	<u><u>16,123,651</u></u>	<u><u>25,059,754</u></u>	<u><u>30,101,365</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
No Fee Class						
Opening balance	198,806,017	216,263,471	-	-	535,595,954	559,696,070
Applications	-	-	-	-	125,126,491	20,976,492
Distributions to unitholders reinvested	4,805,281	3,251,641	-	-	-	-
Redemptions	<u>(31,644,996)</u>	<u>(20,709,095)</u>	<u>-</u>	<u>-</u>	<u>(18,753,626)</u>	<u>(45,076,608)</u>
Closing balance	<u><u>171,966,302</u></u>	<u><u>198,806,017</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>641,968,819</u></u>	<u><u>535,595,954</u></u>
Explicit Pricing Class						
Opening balance	6,915,640	6,573,222	7,367,902	7,192,309	-	-
Applications	887,528	1,478,139	169,185	245,166	-	-
Distributions to unitholders reinvested	69,037	7,393	204,920	570,094	-	-
Redemptions	<u>(1,263,386)</u>	<u>(1,143,114)</u>	<u>(1,439,280)</u>	<u>(639,667)</u>	<u>-</u>	<u>-</u>
Closing balance	<u><u>6,608,819</u></u>	<u><u>6,915,640</u></u>	<u><u>6,302,727</u></u>	<u><u>7,367,902</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 6: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Wholesale Class						
Opening balance	4,494,187	5,898,560	4,433,734	4,417,101	-	-
Applications	-	-	251,620	257,093	-	-
Redemptions	(2,363,605)	(1,404,373)	(379,952)	(240,460)	-	-
Closing balance	<u>2,130,582</u>	<u>4,494,187</u>	<u>4,305,402</u>	<u>4,433,734</u>	<u>-</u>	<u>-</u>
No Fee 1 Class						
Opening balance	-	-	950,582,831	952,195,406	-	-
Applications	-	-	4,793,168	3,578,911	-	-
Distributions to unitholders reinvested	-	-	37,314,820	85,806,791	-	-
Redemptions	-	-	(124,360,250)	(90,998,277)	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>868,330,569</u>	<u>950,582,831</u>	<u>-</u>	<u>-</u>
On-Platform A Class						
Opening balance	60,876	60,876	202	202	-	-
Applications	-	-	-	-	-	-
Distributions to unitholders reinvested	-	-	-	-	-	-
Redemptions	(23,671)	-	-	-	-	-
Closing balance	<u>37,205</u>	<u>60,876</u>	<u>202</u>	<u>202</u>	<u>-</u>	<u>-</u>
New Retail Class						
Opening balance	13,497,579	15,660,256	-	-	-	-
Applications	294,289	443,745	-	-	-	-
Distributions to unitholders reinvested	101,261	-	-	-	-	-
Redemptions	(1,858,531)	(2,606,422)	-	-	-	-
Closing balance	<u>12,034,598</u>	<u>13,497,579</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: CASH AND CASH EQUIVALENTS

	Future Directions Asia Ex-Japan Fund		Future Directions Australian Bond Fund		Future Directions Balanced Fund		Future Directions Conservative Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reconciliation of net profit/(loss) attributable to unitholders after tax expenses and before finance costs to net cash inflow/(outflow) from operating activities								
Net profit/(loss) attributable to unitholders after tax expenses and before finance costs	37,398,169	(12,637,930)	202,519,227	117,370,806	743,834,619	(45,163,418)	59,827,851	3,051,179
Proceeds from sales of financial instruments measured at fair value through profit or loss	115,500,832	132,192,741	1,599,176,311	1,023,443,532	950,457,796	677,192,564	95,125,923	122,079,510
Payments for purchases of financial instruments measured at fair value through profit or loss	(126,009,861)	(120,687,089)	(1,428,915,681)	(944,302,395)	(378,053,049)	(147,914,034)	(40,393,731)	(19,729,548)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(32,080,945)	17,796,915	(90,706,024)	(16,620,302)	(437,275,849)	384,727,352	(34,544,225)	22,791,393
Investment income reinvested	-	-	(41,824,954)	(27,308,144)	(255,718,740)	(237,373,692)	(23,398,667)	(20,531,831)
Net foreign exchange (gain)/loss on cash and cash equivalents	71,815	(55,689)	(1,120,482)	(92,439)	(111,767)	2,466,091	96,098	(43,832)
Net change in broker deposits/(advances)	-	-	8,213,824	(15,315,905)	92,248,154	(58,303,741)	8,737,677	(6,957,075)
Changes in assets and liabilities:								
(Increase)/decrease in receivables	10,995	(80,022)	127,119	89,070	2,152,511	(5,227,675)	(663,169)	(710,168)
Increase/(decrease) in payables and provision	(87,038)	(156,485)	(17,751)	(41,554)	20,396	(6,915)	(8,473)	(4,485)
Net cash inflow/(outflow) from operating activities	(5,196,033)	16,372,441	247,451,589	137,222,669	717,554,071	570,396,532	64,779,284	99,945,143
(b) Non-cash financing and operating activities								
Non-cash financing and operating activities carried out during the financial year on normal commercial terms and conditions comprised:								
Distributions to unitholders reinvested	25,743,737	19,951,787	142,090,056	71,022,207	271,535,830	647,754,960	13,073,418	41,681,503
Participation in reinvestment plans	-	-	41,824,954	27,308,144	255,718,740	237,373,692	23,398,667	20,531,831

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: CASH AND CASH EQUIVALENTS (Continued)

	Future Directions Emerging Markets Share Fund		Future Directions Growth Fund		Future Directions High Growth Fund	
	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$
(a) Reconciliation of net profit/(loss) attributable to unitholders after tax expenses and before finance costs to net cash inflow/(outflow) from operating activities						
Net profit/(loss) attributable to unitholders after tax expenses and before finance costs	363,357,811	(107,057,402)	276,219,682	(36,040,914)	168,809,445	(21,158,020)
Proceeds from sales of financial instruments measured at fair value through profit or loss	1,326,891,181	1,047,848,176	265,692,600	246,310,633	89,196,762	61,684,408
Payments for purchases of financial instruments measured at fair value through profit or loss	(1,323,999,992)	(1,110,328,593)	(77,118,776)	(74,197,802)	(19,969,798)	(22,835,821)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(310,341,771)	161,054,366	(169,343,494)	151,501,579	(105,924,965)	83,348,893
Investment income reinvested	-	-	(92,186,487)	(85,578,758)	(54,682,173)	(48,537,007)
Net foreign exchange (gain)/loss on cash and cash equivalents	956,566	(1,335,821)	578,500	(165,469)	(116,160)	464,287
Net change in broker deposits/(advances)	570,753	(664,172)	15,141,452	(8,942,777)	13,428,852	(9,055,042)
Changes in assets and liabilities:						
(Increase)/decrease in receivables	(1,903,935)	(368,951)	653,815	(1,297,478)	67,631	(1,058,633)
Increase/(decrease) in payables and provision	(631,580)	(1,171,925)	(8,217)	7,162	(6,932)	5,280
Net cash inflow/(outflow) from operating activities	54,899,033	(12,024,322)	219,629,075	191,596,176	90,802,662	42,858,345
(b) Non-cash financing and operating activities						
Non-cash financing and operating activities carried out during the financial year on normal commercial terms and conditions comprised:						
Distributions to unitholders reinvested	148,173,474	85,911,819	88,792,828	172,185,274	52,346,093	88,955,696
Participation in reinvestment plans	-	-	92,186,487	85,578,758	54,682,173	48,537,007

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 7: CASH AND CASH EQUIVALENTS (Continued)

	Future Directions International Bond Fund		Future Directions International Share Fund		Future Directions Moderately Conservative Fund		Future Directions Global Credit Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reconciliation of net profit/(loss) attributable to unitholders after tax expenses and before finance costs to net cash inflow/(outflow) from operating activities								
Net profit/(loss) attributable to unitholders after tax expenses and before finance costs	135,313,227	19,404,651	99,715,085	12,492,283	138,213,621	(4,920,766)	106,256,542	(14,085,623)
Proceeds from sales of financial instruments measured at fair value through profit or loss	380,281,464	453,599,615	73,527,041	45,421,114	178,035,567	163,533,461	605,239,946	489,295,082
Payments for purchases of financial instruments measured at fair value through profit or loss	(615,825,515)	(604,144,494)	-	-	(74,420,397)	(32,964,941)	(766,761,941)	(486,199,647)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(99,371,179)	994,646	(88,577,350)	(7,236,710)	(80,225,903)	63,925,989	(79,333,093)	37,754,151
Investment income reinvested	(16,060,465)	(15,188,641)	(11,280,304)	(6,822,803)	(51,608,731)	(48,357,302)	-	-
Net foreign exchange (gain)/loss on cash and cash equivalents	(2,791,756)	1,022,652	-	-	511,263	(144,133)	666,050	(338,973)
Net change in broker deposits/(advances)	(290,476)	842,824	-	-	15,333,139	(12,238,903)	622,826	(1,352,810)
Changes in assets and liabilities:								
(Increase)/decrease in receivables	(8,958,115)	(763,862)	(1,285,852)	185,483	(1,194,867)	(582,401)	9,449	546,012
Increase/(decrease) in payables and provision	(6,287)	(97,269)	26,271	(11,619)	(15,912)	59,731	(54,898)	(92,621)
Net cash inflow/(outflow) from operating activities	(227,709,102)	(144,329,878)	72,124,891	44,027,748	124,627,780	128,310,735	(133,355,119)	25,525,571
(b) Non-cash financing and operating activities								
Non-cash financing and operating activities carried out during the financial year on normal commercial terms and conditions comprised:								
Distributions to unitholders reinvested	19,834,181	17,007,322	9,756,958	5,712,303	45,013,520	102,546,195	-	-
Participation in reinvestment plans	16,060,465	15,188,641	11,280,304	6,822,803	51,608,731	48,357,302	-	-

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES

(a) General Information

The Responsible Entity of the Schemes is AMP Capital Funds Management Limited, a subsidiary of AMP Limited.

(b) Investments

(i) Related party holdings of the Schemes

Details of the Schemes' holdings in related parties, including entities in the same group as the Responsible Entity and other Schemes managed by the Responsible Entity, are set out below:

	Fair value		Interest held		Distributions/interest received or receivable during the financial year	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Future Directions Asia Ex-Japan Fund						
AMP Capital Managed Cash Fund	300,504	856,124	0.01	0.01	7,234	14,918
Future Directions Australian Bond Fund						
AMP Capital Managed Cash Fund	9,795,057	8,707,099	0.21	0.15	224,808	282,953
Managed Treasury Fund	194,508,036	190,962,445	7.33	6.64	4,242,648	4,214,640
Future Directions Balanced Fund						
AMP Capital Managed Cash Fund	37,620,399	44,281,565	0.79	0.76	734,527	551,756
Future Directions Opportunistic Fund	44,085,106	54,688,770	54.06	54.06	10,811,495	12,973,795
Future Directions Infrastructure Fund	195,673,132	176,304,705	28.21	28.21	7,832,468	15,162,671
Future Directions Private Equity Fund 3A	86,442,937	122,700,144	18.89	22.39	15,810,253	18,803,919
Future Directions Enhanced Index Australian Share Fund	513,608,447	437,642,610	20.36	19.86	26,041,588	27,798,346
Future Directions Credit Opportunities Fund	185,951,569	126,371,639	17.82	18.02	9,691,171	6,028,694
Future Directions Australian Bond Fund	433,219,152	568,190,185	16.78	21.64	27,109,219	18,185,665
AMP Capital Alternative Defensive Fund	107,305,108	100,204,348	17.44	17.44	-	-
AMP Capital Alternative Defensive Fund Delayed Redemption Portfolio	4,156,409	4,870,076	38.11	38.11	24,483	3,539
Future Directions Diversified Alternatives Fund	4,959,294	5,618,378	30.06	30.06	381,883	6,011,428
Future Directions Asia Ex-Japan Fund	46,114,096	38,619,586	19.04	19.43	4,814,526	3,967,741
Future Directions Emerging Markets Share Fund	177,890,146	203,522,351	8.27	11.21	12,896,628	10,713,272
Enhanced Index International Share Fund	1,268,576,810	1,224,671,819	9.87	10.93	113,847,459	102,459,050
AMP Capital Absolute Return - Passive Fund	82,155,113	117,042,808	14.66	17.14	1,310,680	1,302,477
Future Directions International Bond Fund	197,052,939	192,221,930	9.86	11.62	3,064,383	1,892,433
Future Directions Australian Equity Fund	555,759,003	528,999,989	17.99	19.28	39,098,373	44,560,140
Future Directions Real Property Fund	181,996,069	227,153,539	47.73	52.74	6,345,228	19,645,535
Future Directions Transition Fund 3	1,845	1,847	100.00	100.00	-	-
AMP Capital Shell Fund 3	70,632,008	93,154,848	10.23	13.52	5,802,568	6,125,341
Future Directions Private Equity Fund 4	108,065,964	105,022,650	20.35	23.39	4,176,687	1,520,094
Future Directions Global Credit Fund	107,110,559	55,980,201	10.93	7.73	-	-
AMP Capital Macro Strategies Fund	55,204,241	54,343,126	19.54	17.96	-	1,436,924

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(i) Related party holdings of the Schemes (continued)

	Fair value		Interest held		Distributions/interest received or receivable during the financial year	
	\$		%		\$	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Future Directions Balanced Fund (continued)						
Future Directions Private Equity Fund 5	30,630,075	22,768,295	8.21	10.89	44,598	-
AMP Capital Global Infrastructure Securities Fund (Hedged)	74,467,894	24,726,479	5.68	2.44	1,720,076	8,873
AMP Capital Absolute Return Growth Fund	24,948,532	-	9.39	-	-	-
Other related parties	-	-	N/A	N/A	-	113,850
Future Directions Conservative Fund						
AMP Capital Managed Cash Fund	-	18,466,170	-	0.32	208,031	434,475
Future Directions Australian Bond Fund	126,335,490	142,496,859	4.89	5.43	7,454,379	4,815,679
AMP Capital Alternative Defensive Fund Delayed Redemption Portfolio	718,952	842,399	6.59	6.59	4,235	612
Future Directions International Bond Fund	65,614,498	61,239,739	3.28	3.70	996,176	508,690
Managed Treasury Fund	54,914,348	58,301,198	2.07	2.03	1,294,611	1,535,888
Future Directions Enhanced Index Australian Share Fund	30,710,745	31,599,568	1.22	1.43	1,715,894	1,677,884
Future Directions Australian Equity Fund	32,913,932	29,255,920	1.07	1.07	2,123,108	2,479,561
Enhanced Index International Share Fund	67,545,612	71,512,191	0.53	0.64	5,746,566	5,997,385
Other related parties	168,000,783	150,579,871	N/A	N/A	5,303,398	6,383,699
Future Directions Emerging Markets Share Fund						
AMP Capital Managed Cash Fund	6,017,037	2,620,541	0.13	0.04	105,527	211,838
Future Directions Growth Fund						
AMP Capital Managed Cash Fund	15,440,348	14,033,755	0.32	0.24	288,655	265,750
Future Directions Enhanced Index Australian Share Fund	242,080,346	237,573,918	9.60	10.78	12,934,503	12,886,713
Future Directions Infrastructure Fund	69,396,415	62,527,309	10.00	10.00	2,777,822	5,379,829
Future Directions Private Equity Fund 3A	29,987,713	38,547,428	6.55	7.03	5,338,080	5,907,432
Future Directions Opportunistic Fund	10,029,591	12,441,979	12.30	12.30	2,459,671	2,951,606
Future Directions Emerging Markets Share Fund	108,221,799	88,909,422	5.03	4.90	7,755,931	4,272,891
Future Directions Diversified Alternatives Fund	1,794,600	2,033,100	10.88	10.88	138,190	2,175,332
Enhanced Index International Share Fund	490,597,621	464,527,824	3.82	4.15	44,047,586	39,737,520
AMP Capital Shell Fund 3	35,131,058	42,661,471	5.09	6.19	2,374,079	3,184,097
AMP Capital Alternative Defensive Fund Delayed Redemption Portfolio	757,736	887,841	6.95	6.95	4,463	645
Future Directions Australian Equity Fund	248,665,004	234,356,651	8.05	8.54	17,588,730	19,314,720
AMP Capital Absolute Return - Passive Fund	32,699,538	48,675,334	5.84	7.13	545,081	551,394
Future Directions Private Equity Fund 4	28,931,967	25,942,180	5.45	5.78	1,118,204	375,486
Future Directions Real Property Fund	31,016,334	33,654,454	8.13	7.81	940,092	2,910,629
Other related parties	129,626,617	109,070,090	N/A	N/A	4,424,759	4,139,131

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(i) Related party holdings of the Schemes (continued)

	Fair value		Interest held		Distributions/interest received or receivable during the financial year	
	\$		%		\$	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Future Directions High Growth Fund						
AMP Capital Managed Cash Fund	6,166,600	-	0.13	-	41,996	320,787
Future Directions Enhanced Index Australian Share Fund	159,620,565	153,645,277	6.33	6.87	8,321,668	8,249,514
Future Directions Australian Equity Fund	167,282,580	151,582,114	5.42	5.45	11,286,381	12,234,379
Future Directions Opportunistic Fund	5,659,926	7,021,291	6.94	6.94	1,388,048	1,665,658
Enhanced Index International Share Fund	318,284,116	285,102,156	2.48	2.53	27,313,309	23,221,951
Future Directions Emerging Markets Share Fund	56,327,656	41,299,979	2.62	2.38	3,816,296	1,953,476
Other related parties	138,851,539	126,679,153	N/A	N/A	8,344,469	10,019,023
Future Directions International Bond Fund						
AMP Capital Managed Cash Fund	5,852,673	8,366,634	0.12	0.14	176,409	142,379
Future Directions Global Government Bond Fund	1,208,641,113	1,038,241,005	100.00	100.00	24,971,016	15,940,208
Future Directions Global Credit Fund	513,179,673	379,916,911	52.38	52.45	-	-
Future Directions International Share Fund						
AMP Capital Managed Cash Fund	296,650	656,596	0.01	0.01	6,286	20,351
AMP Capital Specialist International Share Fund	431,084,735	404,954,122	41.01	28.53	12,566,893	6,657,448
Future Directions Moderately Conservative Fund						
AMP Capital Managed Cash Fund	12,866,801	40,067,557	0.27	0.69	710,207	385,835
Future Directions Australian Bond Fund	183,257,953	203,362,125	7.10	7.74	10,534,766	6,730,397
AMP Capital Alternative Defensive Fund	34,479,872	32,198,217	5.60	5.60	-	-
Future Directions International Bond Fund	96,166,600	94,834,265	4.81	5.73	1,504,463	933,125
Future Directions Australian Equity Fund	99,426,200	94,647,261	3.22	3.45	6,733,065	7,665,038
Enhanced Index International Share Fund	211,550,746	231,249,899	1.65	2.06	18,303,775	19,646,955
Future Directions Enhanced Index Australian Share Fund	104,020,195	90,940,067	4.12	4.13	5,285,439	4,939,411
Future Directions Real Property Fund	31,666,153	37,912,966	8.30	8.80	1,059,048	3,278,930
Future Directions Opportunistic Fund	5,282,265	6,552,793	6.48	6.48	1,295,430	1,554,517

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(i) Related party holdings of the Schemes (continued)

	Fair value		Interest held		Distributions/interest received or receivable during the financial year	
	\$		%		\$	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Future Directions Moderately Conservative Fund (continued)						
AMP Capital Alternative Defensive Fund Delayed Redemption Portfolio	1,124,657	1,317,764	10.31	10.31	6,625	958
AMP Capital Macro Strategies Fund	14,931,326	14,698,416	5.29	4.86	-	388,651
Future Directions Credit Opportunities Fund	63,620,917	33,577,895	6.10	4.79	2,758,042	1,720,128
Other related parties	189,196,903	174,190,831	N/A	N/A	9,481,645	9,941,045
Future Directions Global Credit Fund						
AMP Capital Managed Cash Fund	3,970,758	2,752,922	0.08	0.05	49,881	61,677

(ii) Related party investors in the Schemes

Details of related party investors in the Schemes, including the Responsible Entity, entities in the same group as the Responsible Entity and other Schemes managed by the Responsible Entity, are set out below:

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
Future Directions Asia Ex-Japan Fund					
31 December 2019					
Future Directions Balanced Fund	31,994,760	19.04	3,532,936	-	4,814,526
AMP Life Limited	17,494,333	10.41	2,601,607	(4,770,939)	2,955,141
AMP Capital 1970s Fund	56,197,871	33.44	15,325,862	-	8,456,576
AMP Capital 1980s Fund	26,837,998	15.97	2,963,515	-	4,038,544
WOW Future Directions Balanced Fund	10,000,721	5.95	1,104,303	-	1,504,894
Other related parties	23,772,811	14.15	7,720,547	(6,786,767)	3,567,854
31 December 2018					
Future Directions Balanced Fund	28,461,824	19.43	2,494,718	-	3,967,741
AMP Life Limited	19,663,665	13.43	2,570,623	(5,330,525)	3,051,439
AMP Capital 1970s Fund	40,872,009	27.90	3,703,826	-	5,682,403
AMP Capital 1980s Fund	23,874,483	16.30	2,092,631	-	3,328,240
WOW Future Directions Balanced Fund	8,896,418	6.07	779,783	-	1,240,212
Other related parties	22,839,031	15.59	2,063,502	(5,109,641)	3,183,892

AMP Limited is the ultimate parent entity.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
Future Directions Australian Bond Fund					
31 December 2019					
Future Directions Balanced Fund	428,646,254	16.78	59,338,353	(203,279,758)	27,109,219
Future Directions Moderately Conservative Fund	181,323,551	7.10	10,047,458	(33,659,940)	10,534,766
WOW Future Directions Balanced Fund	290,017,952	11.36	38,793,049	(60,497,171)	16,753,966
Future Directions Conservative Fund	125,001,941	4.89	7,134,510	(25,732,273)	7,454,379
AMP Capital 1950s Fund	186,741,908	7.31	21,767,007	(42,189,321)	11,140,101
AMP Capital 1960s Fund	503,240,730	19.71	179,979,660	(128,880,717)	27,886,765
AMP Capital 1970s Fund	349,049,226	13.67	75,376,776	-	18,828,004
AMP Capital 1980s Fund	151,798,641	5.94	7,863,020	-	8,521,713
Responsible Investment Leaders Diversified Fixed Income Trust	140,369,881	5.50	68,013,764	-	7,191,617
Other related parties	191,571,863	7.50	23,768,695	(87,844,607)	12,107,635
31 December 2018					
Future Directions Balanced Fund	572,587,659	21.64	15,727,959	(25,065,420)	18,185,665
Future Directions Moderately Conservative Fund	204,936,033	7.74	5,919,199	(23,528,164)	6,730,397
WOW Future Directions Balanced Fund	311,722,074	11.78	8,203,341	-	9,606,260
Future Directions Conservative Fund	143,599,704	5.43	4,260,940	(19,287,281)	4,815,679
AMP Capital 1950s Fund	207,164,222	7.83	18,852,635	-	6,193,684
AMP Capital 1960s Fund	452,141,787	17.09	11,898,654	-	13,933,539
AMP Capital 1970s Fund	273,672,450	10.34	7,202,019	-	8,433,695
AMP Capital 1980s Fund	143,935,621	5.44	3,787,839	-	4,435,628
Responsible Investment Leaders Diversified Fixed Income Trust	72,356,117	2.73	5,678,518	(43,012,013)	2,293,024
Other related parties	255,647,775	9.67	36,162,848	(69,233,922)	8,428,845

AMP Limited is the ultimate parent entity.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
Future Directions Balanced Fund					
31 December 2019					
AMP Life Limited	4,050,316,368	97.54	237,669,461	(616,489,300)	281,985,097
31 December 2018					
AMP Life Limited	4,429,136,207	97.56	569,005,568	(515,650,386)	596,424,824
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Future Directions Conservative Fund					
31 December 2019					
AMP Life Limited	511,772,382	97.06	18,906,734	(77,831,202)	12,518,866
31 December 2018					
AMP Life Limited	570,696,850	96.72	41,481,543	(89,380,645)	38,673,208
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Future Directions Emerging Markets Share Fund					
31 December 2019					
Future Directions Balanced Fund	144,847,737	8.27	32,614,459	(71,820,324)	12,896,628
AMP Capital 1970s Fund	211,516,748	12.07	47,004,717	(44,530,619)	18,974,863
WOW Future Directions Balanced Fund	105,676,763	6.03	20,139,395	-	8,450,276
AMP Capital Extended Markets Global Shares Multi-Manager Fund	91,646,109	5.23	11,733,571	-	8,147,651
AMP Capital 1980s Fund	224,190,627	12.79	33,457,677	-	18,651,424
AMP Life Limited	513,140,745	29.28	105,169,850	(64,376,444)	43,362,885
AMP Capital 1960s Fund	115,729,540	6.60	8,820,514	-	10,288,586
Future Directions Growth Fund	88,120,016	5.03	12,961,406	(5,245,823)	7,755,931
Other related parties	242,712,312	13.85	43,950,513	(19,800,523)	19,791,890
31 December 2018					
Future Directions Balanced Fund	184,053,602	11.21	8,206,530	-	10,713,272
AMP Capital 1970s Fund	209,042,650	12.73	33,201,457	(17,226,598)	11,880,591
WOW Future Directions Balanced Fund	85,537,368	5.21	3,873,368	(5,768,253)	4,978,903
AMP Capital Extended Markets Global Shares Multi-Manager Fund	79,912,538	4.87	3,787,605	(6,751,795)	4,644,789

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
Future Directions Emerging Markets Share Fund (continued)					
31 December 2018 (continued)					
AMP Capital 1980s Fund	190,732,950	11.62	26,038,065	-	10,345,211
AMP Life Limited	472,347,339	28.77	28,923,433	(79,552,552)	27,679,000
AMP Capital 1960s Fund	106,909,026	6.51	4,766,829	-	6,222,891
Future Directions Growth Fund	80,404,433	4.90	24,501,498	(11,482,070)	4,272,891
Other related parties	218,562,322	13.31	40,214,437	(9,071,034)	11,708,293
AMP Limited is the ultimate parent entity.					
Future Directions Growth Fund					
31 December 2019					
AMP Life Limited	1,231,420,357	97.30	74,651,531	(192,130,447)	92,075,295
31 December 2018					
AMP Life Limited	1,348,899,273	97.20	145,392,356	(146,239,345)	156,687,091
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Future Directions High Growth Fund					
31 December 2019					
AMP Life Limited	563,137,346	97.37	36,439,711	(55,095,134)	54,048,610
31 December 2018					
AMP Life Limited	581,792,769	97.22	61,277,644	(47,593,584)	81,978,539
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Future Directions International Bond Fund					
31 December 2019					
International Bond Fund	1,045,976,163	48.17	220,138,055	(31,424,114)	14,761,602
AMP Life Limited	232,977,334	10.73	2,910,172	(54,657,414)	3,488,006
Future Directions Balanced Fund	214,143,528	9.86	2,415,891	(9,672,635)	3,064,383
Future Directions Moderately Conservative Fund	104,507,221	4.81	1,191,899	(5,914,318)	1,504,463
WOW Future Directions Balanced Fund	117,051,177	5.39	10,831,689	-	1,562,596
AMP Capital 1950s Fund	126,211,627	5.81	14,885,875	-	1,660,530
AMP Capital 1960s Fund	172,469,376	7.94	57,800,876	-	1,984,608
Other related parties	147,065,046	6.78	66,169,939	-	1,567,548

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
Future Directions International Bond Fund (continued)					
31 December 2018					
International Bond Fund	857,262,222	45.00	227,483,553	(61,710,456)	7,052,579
AMP Life Limited	284,724,576	14.95	4,351,648	(60,414,688)	2,656,657
Future Directions Balanced Fund	221,400,272	11.62	2,460,876	-	1,892,433
Future Directions Moderately Conservative Fund	109,229,640	5.73	7,815,271	(6,886,740)	933,125
WOW Future Directions Balanced Fund	106,219,488	5.58	1,180,635	-	907,918
AMP Capital 1950s Fund	111,325,752	5.84	16,064,910	-	856,599
AMP Capital 1960s Fund	114,668,500	6.02	45,702,918	-	695,590
Other related parties	80,895,107	4.25	17,221,689	-	586,916
AMP Limited is the ultimate parent entity.					
Future Directions International Share Fund					
31 December 2019					
AMP Life Limited	171,966,302	83.85	4,805,281	(31,644,996)	10,219,856
31 December 2018					
AMP Life Limited	198,806,017	83.88	3,251,641	(20,709,095)	5,565,693
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Future Directions Moderately Conservative Fund					
31 December 2019					
AMP Life Limited	868,330,771	96.17	42,107,988	(124,360,250)	46,912,698
31 December 2018					
AMP Life Limited	950,583,033	95.88	89,385,701	(90,998,277)	91,648,396
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Future Directions Global Credit Fund					
31 December 2019					
Future Directions International Bond Fund	336,255,486	52.38	68,637,524	(13,285,942)	-
AMP Capital 1950s Fund	32,488,981	5.06	1,844,520	-	-
AMP Capital 1960s Fund	105,575,087	16.45	-	(3,623,165)	-
Future Directions Balanced Fund	70,183,047	10.93	28,792,268	-	-
WOW Future Directions Balanced Fund	41,378,081	6.45	22,342,622	-	-
Other related parties	56,088,137	8.73	3,509,558	(1,844,520)	-

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(b) Investments (continued)

(ii) Related party investors in the Schemes (continued)

	Number of units held	Interest held %	Number of units acquired during the financial year	Number of units disposed of during the financial year	Distributions paid or payable during the financial year \$
Future Directions Global Credit Fund (continued)					
31 December 2018					
Future Directions International Bond Fund	280,903,904	52.45	20,976,492	(45,076,608)	-
AMP Capital 1950s Fund	30,644,461	5.72	-	-	-
AMP Capital 1960s Fund	109,198,252	20.39	-	-	-
Future Directions Balanced Fund	41,390,779	7.73	-	-	-
WOW Future Directions Balanced Fund	19,035,459	3.55	-	-	-
Other related parties	54,423,099	10.16	-	-	-

Future Directions International Bond Fund is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.

(c) Transactions with the Responsible Entity and its Related Parties

All transactions between the Schemes and related parties have been at market value on normal commercial terms and conditions. This includes purchases and sales of financial instruments, as well as applications and redemptions of units.

In accordance with each Scheme's Constitution, the Responsible Entity is entitled to receive fees for the provision of services to the Schemes and to be reimbursed for certain expenditure incurred in the administration of the Schemes.

	31 December 2019 \$	31 December 2018 \$
Responsible entity fees expensed during the financial year		
Future Directions Asia Ex-Japan Fund	69,958	78,188
Future Directions Balanced Fund	232,549	-
Future Directions Conservative Fund	280,323	256,601
Future Directions Emerging Markets Share Fund	75,610	86,511
Future Directions Growth Fund	372,118	346,915
Future Directions High Growth Fund	231,568	235,704
Future Directions International Bond Fund	200,816	247,795
Future Directions International Share Fund	1,391,515	1,421,378
Future Directions Moderately Conservative Fund	677,739	1,185,116
Responsible entity fee rebates received during the financial year		
Future Directions Australian Bond Fund	186,972	171,774
Future Directions Balanced Fund	-	161,666

During the financial year the Responsible Entity incurred certain expenses on behalf of the Schemes. Other expenses incurred by the Responsible Entity may be reimbursable from the Schemes to the Responsible Entity in accordance with each Scheme's Constitution and other governing documents, as applicable.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 8: RELATED PARTY DISCLOSURES (Continued)

(c) Transactions with the Responsible Entity and its Related Parties (continued)

During the financial year the Schemes paid securities lending fees to the service provider, AMP Capital Investors Limited, a related party of the Schemes.

	31 December 2019	31 December 2018
	\$	\$
Securities lending fees expensed during the financial year		
Future Directions Asia Ex-Japan Fund	1,183	1,103
Future Directions Australian Bond Fund	8,973	-
Future Directions Emerging Markets Share Fund	13,011	17,794
Future Directions International Bond Fund	130	-
Future Directions Global Credit Fund	2,119	2,021

(d) Key Management Personnel

AASB 124 "Related Party Disclosures" defines key management personnel ("KMP") as including all Non-Executive Directors, Executive Directors and any other persons having authority or responsibility for planning, directing and controlling the activities of the Schemes. The Schemes have no direct employees, however the Directors of the Responsible Entity have been deemed to be Directors of the Schemes. These individuals comprise the KMP of the Schemes.

Key management personnel services are provided by the Responsible Entity and the remuneration paid to the Responsible Entity is detailed in Note 8(c) above. No Director of the Responsible Entity was paid any remuneration by the Schemes during the financial year. Compensation paid to these Directors by the Responsible Entity, or related entities of the Responsible Entity, is not related to services they render to the individual funds.

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risks arising from holding financial instruments are inherent in the Schemes' activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Schemes comprise investments in financial assets and liabilities measured at fair value through profit or loss, cash and cash equivalents, broker deposits/advances, 'net assets attributable to unitholders - liability', and other financial instruments such as receivables and payables, which arise directly from the Schemes' operations.

The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments. The Schemes are exposed to credit risk, liquidity risk and market risk.

The risks are measured using a method that reflects the expected impact on the results and net assets attributable to unitholders of the Schemes from reasonably possible changes in the relevant risk variables. Information about these risk exposures for the financial year is provided below. Where the Schemes have material risk exposures, risk sensitivity analysis is presented for illustrative purposes. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment mandate limits, is also monitored by the Responsible Entity. These mandate limits reflect the investment strategy and market environment of the Schemes, as well as the level of risk that the Schemes are willing to accept.

The management of these risks is carried out by AMP Capital Investors Limited, as investment manager, including at its investment committees, under policies adopted by the Responsible Entity.

As part of its risk management strategy, the Schemes may use derivatives to manage certain risk exposures.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

To avoid excessive concentrations of risk, the Schemes monitor their exposure to ensure concentrations of risk remain within acceptable levels and either reduces exposure or uses derivative financial instruments to manage the excessive risk concentrations when they arise.

The Responsible Entity's objectives when managing capital are to safeguard the Schemes' ability to continue as a going concern, so it can continue to provide returns to unitholders and to maintain an optimal capital structure. To maintain or adjust the capital structure, the Responsible Entity may reinvest distributions. The Schemes do not have any externally imposed capital requirements.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations under a contract.

The Schemes' maximum credit risk exposure at balance date in relation to each class of recognised financial asset is the carrying amount of those assets as indicated in the Statements of Financial Position. This does not represent the maximum risk exposure that could arise in the future as a result of changes in values, but best represents the maximum exposure at the balance date.

In relation to investments in equity securities and managed investment funds, the credit risk associated with these financial instruments is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid a concentration of credit risk.

In relation to derivative financial instruments, the credit risk associated with these financial instruments is minimised by undertaking transactions with counterparties on recognised exchanges, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid a concentration of credit risk. Credit risk associated with non-exchange traded derivative financial instruments is minimised through the use of master netting agreements, and ensuring that, where possible, transactions are undertaken with a number of counterparties to avoid a concentration of credit risk.

Credit risk is not considered to be significant to the Schemes except in relation to investments in interest bearing securities. Receivable balances are monitored on an ongoing basis. The Schemes' exposure to bad debts is not significant.

The Schemes hold no collateral as security or any other credit enhancements, other than broker deposits. There are no financial assets that are past due or impaired, or would otherwise be past due or impaired except for the terms having been renegotiated.

Credit quality per class of financial instrument

The credit quality of financial assets is managed by the Schemes using Standard and Poor's rating categories, in accordance with the investment mandate of the Schemes. The Schemes' exposure in each grade is monitored on a daily basis. This review process allows the Responsible Entity to assess the potential loss as a result of risks and take corrective action where required.

The table below shows the credit quality of the Schemes' interest bearing securities.

	AAA to AA- \$	A+ to A- \$	BBB+ to BBB- \$	BB+ and Lower \$	Unrated* \$	Total \$
Future Directions Australian Bond Fund						
31 December 2019	1,880,878,519	-	-	-	65,601,970	1,946,480,489
31 December 2018	1,978,155,439	-	-	-	17,429,815	1,995,585,254
Future Directions International Bond Fund						
31 December 2019	26,196,066	3,715,928	5,458,161	9,201,159	209,812,338	254,383,652
31 December 2018	23,977,097	5,120,916	4,184,057	-	185,972,538	219,254,608
Future Directions Global Credit Fund						
31 December 2019	33,807,699	281,902,707	541,426,041	32,008,426	43,302,614	932,447,487
31 December 2018	36,720,765	204,840,123	432,733,895	20,625,724	32,814,022	727,734,529

*"Unrated" includes interest bearing securities which do not yet have a rating, for example for new issuers, but are selected in line with the investment mandate of the Schemes.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (continued)

Listed securities and interest bearing securities on loan

Certain securities are on loan as part of a securities lending program that certain Schemes participate in, as recognised in the Statements of Financial Position. As at 31 December 2019, the total value of the securities on loan are fully collateralised and are held by the Schemes' custodian, BNP Paribas Fund Services Australasia. Securities of the Schemes may be lent to approved borrowers, such as brokers and other financial institutions. The borrower lodges collateral against the securities lent either in the form of cash or approved securities.

The risks of securities lending include the risk that the borrower may not provide additional collateral when required or may not return the securities when due. To mitigate the risks associated with securities lending, the Schemes have been provided with borrower default indemnities by BNP Paribas Securities Services, acting as the Security Lending Agent. The indemnity allows for full replacement of securities lent in the case of a borrower default.

(b) Liquidity risk

Liquidity risk is the risk that the Schemes will encounter difficulty in meeting obligations associated with financial liabilities as and when they fall due.

The Schemes manage liquidity risk by monitoring application and redemption requests to ensure sufficient liquidity is available; investing in financial instruments which under normal market conditions are readily convertible to cash; and maintaining sufficient cash and cash equivalents to meet normal operating requirements.

Maturity analysis for financial liabilities

Financial liabilities of the Schemes comprise trade and other payables, distributions payable, derivative financial instruments and 'net assets attributable to unitholders - liability'. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

'Net assets attributable to unitholders - liability' are payable on demand, however the Responsible Entity has the power under each Scheme's Constitution to amend the timing of redemption payments.

Derivative financial instruments measured at fair value through profit or loss are held for trading as they are held for the purposes of:

- reducing risks which may occur as a result of changes in interest rates, credit risk, equity prices, currency movements or other factors; and/or
- gaining exposure to physical investments.

Although they have contractual maturities, management's expectation is that they will typically dispose of them within a shorter period of time.

Maturities of gross settled derivative financial instruments

The table below details the Schemes' derivative financial instruments (assets and liabilities) into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than 1 month \$	1-3 months \$	3-12 months \$	Greater than 1 year \$	Total \$
Future Directions Asia Ex-Japan Fund					
31 December 2019					
Inflows	-	-	-	-	-
(Outflows)	-	-	-	-	-
31 December 2018					
Inflows	10,424	-	-	-	10,424
(Outflows)	(10,446)	-	-	-	(10,446)
Future Directions Australian Bond Fund					
31 December 2019					
Inflows	70,310,423	64,309,154	63,225,218	59,016,856	256,861,651
(Outflows)	(69,236,735)	(67,431,599)	(64,125,641)	(63,106,717)	(263,900,692)
31 December 2018					
Inflows	31,992,024	59,540,534	57,232,383	82,205,967	230,970,908
(Outflows)	(32,115,011)	(46,944,164)	(63,045,512)	(86,837,041)	(228,941,728)

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (continued)

Maturities of gross settled derivative financial instruments (continued)

	Less than 1 month \$	1-3 months \$	3-12 months \$	Greater than 1 year \$	Total \$
Future Directions Balanced Fund					
31 December 2019					
Inflows	250,317	1,317,693,213	-	-	1,317,943,530
(Outflows)	-	(1,278,545,500)	-	-	(1,278,545,500)
31 December 2018					
Inflows	-	1,405,722,162	-	-	1,405,722,162
(Outflows)	-	(1,459,139,869)	-	-	(1,459,139,869)
Future Directions Conservative Fund					
31 December 2019					
Inflows	15,350	135,587,673	-	-	135,603,023
(Outflows)	-	(130,614,096)	-	-	(130,614,096)
31 December 2018					
Inflows	-	125,725,375	-	-	125,725,375
(Outflows)	-	(131,850,595)	-	-	(131,850,595)
Future Directions Emerging Markets Share Fund					
31 December 2019					
Inflows	45,934,617	430,092	-	566	46,365,275
(Outflows)	(46,726,522)	-	-	-	(46,726,522)
31 December 2018					
Inflows	33,880,030	-	-	-	33,880,030
(Outflows)	(33,586,702)	(89,489)	-	-	(33,676,191)
Future Directions Growth Fund					
31 December 2019					
Inflows	-	467,136,032	-	-	467,136,032
(Outflows)	-	(453,119,265)	-	-	(453,119,265)
31 December 2018					
Inflows	-	469,019,280	-	-	469,019,280
(Outflows)	-	(487,262,838)	-	-	(487,262,838)

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (continued)

Maturities of gross settled derivative financial instruments (continued)

	Less than 1 month \$	1-3 months \$	3-12 months \$	Greater than 1 year \$	Total \$
Future Directions High Growth Fund					
31 December 2019					
Inflows	-	217,668,916	-	-	217,668,916
(Outflows)	-	(211,039,084)	-	-	(211,039,084)
31 December 2018					
Inflows	57,603	181,734,325	-	-	181,791,928
(Outflows)	-	(189,455,331)	-	-	(189,455,331)
Future Directions International Bond Fund					
31 December 2019					
Inflows	372,150,450	25,858,121	143,278	1,071,989	399,223,838
(Outflows)	(363,681,619)	(25,921,178)	(214,850)	(1,463,868)	(391,281,515)
31 December 2018					
Inflows	288,414,288	7,951,304	192,356	1,739,819	298,297,767
(Outflows)	(295,913,732)	(7,945,360)	(212,837)	(1,725,445)	(305,797,374)
Future Directions Moderately Conservative Fund					
31 December 2019					
Inflows	42,507	242,436,310	-	-	242,478,817
(Outflows)	-	(234,169,576)	-	-	(234,169,576)
31 December 2018					
Inflows	-	274,246,338	-	-	274,246,338
(Outflows)	-	(284,290,494)	-	-	(284,290,494)
Future Directions Global Credit Fund					
31 December 2019					
Inflows	1,133,010,862	827,096,636	586,791	6,099,468	1,966,793,757
(Outflows)	(1,118,224,735)	(815,769,142)	(820,337)	(8,299,293)	(1,943,113,507)
31 December 2018					
Inflows	1,119,562,506	396,757,362	1,095,589	9,945,831	1,527,361,288
(Outflows)	(1,142,990,165)	(397,525,369)	(1,177,111)	(8,384,968)	(1,550,077,613)

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and equity prices.

Market risk is managed and monitored using sensitivity analysis, and minimised through ensuring that all investment activities are undertaken in accordance with established mandate limits and investment strategies.

Australian Accounting Standards require the disclosure of sensitivity to changes in market risk variables such as interest rates, foreign exchange rates and equity prices. This sensitivity is not intended to show the impact on the Schemes' financial performance for the entire period, just an illustrative example of the direct impact of a change in the value of the financial instruments measured at the balance date as a result of the change in market rate. The sensitivity is required to show the impact of a reasonably possible change in market rate over the period to the subsequent balance date. It is not intended to illustrate a remote, worst case or stress test scenario.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect future cash flows or the fair values of financial instruments. The Schemes have established limits on investments in interest bearing securities, which are monitored on a daily basis.

The table below demonstrates the impact of a 100 basis point movement in interest rates on the Schemes' interest income and net assets attributable to unitholders, with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Change in interest rate		Effect on interest income from the impact of interest rate changes on floating rate securities		Effect on net assets attributable to unitholders from the impact of interest rate changes on fixed rate securities	
	Increase	Decrease	Increase \$	Decrease \$	Increase \$	Decrease \$
Future Directions Australian Bond Fund						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	-	-	(185,382,934)	185,382,934
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	-	-	(181,506,603)	181,506,603
Future Directions International Bond Fund						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	16,365	(16,365)	(139,585,835)	139,585,835
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	5,425	(5,425)	(107,665,709)	107,665,709
Future Directions Global Credit Fund						
31 December 2019						
Interest bearing securities	+100 bps	-100 bps	4,111	(4,111)	(57,648,323)	57,648,323
31 December 2018						
Interest bearing securities	+100 bps	-100 bps	23,735	(23,735)	(47,844,622)	47,844,622

The interest rate sensitivity for cash and cash equivalents is not significant to the Schemes.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Foreign exchange risk

Foreign exchange risk is the risk that the value of monetary securities denominated in currencies other than the Australian dollar will fluctuate due to changes in foreign exchange rates. The risk is measured using sensitivity analysis.

The table below demonstrates the impact of a 10% movement in the exchange rate against the Australian dollar on the net profit/(loss) attributable to unitholders and net assets attributable to unitholders, with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Effect on net assets attributable to unitholders and net profit/(loss) attributable to unitholders after tax expense and before finance costs	
	-10% \$	+10% \$
Future Directions Asia Ex-Japan Fund		
31 December 2019	(214,713)	214,713
31 December 2018	(137,625)	137,625
Future Directions Australian Bond Fund		
31 December 2019	(392,885)	392,885
31 December 2018	(304,403)	304,403
Future Directions Balanced Fund		
31 December 2019	(316,910)	316,910
31 December 2018	(19,183)	19,183
Future Directions Conservative Fund		
31 December 2019	(11,891)	11,891
31 December 2018	(12,132)	12,132
Future Directions Emerging Markets Share Fund		
31 December 2019	(2,576,215)	2,576,215
31 December 2018	(873,486)	873,486
Future Directions Growth Fund		
31 December 2019	(71,032)	71,032
31 December 2018	(24,556)	24,556
Future Directions High Growth Fund		
31 December 2019	(46,885)	46,885
31 December 2018	(12,403)	12,403

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Foreign exchange risk (continued)

	Effect on net assets attributable to unitholders and net profit/(loss) attributable to unitholders after tax expense and before finance costs	
	-10%	+10%
	\$	\$
Future Directions International Bond Fund		
31 December 2019	(1,103,277)	1,103,277
31 December 2018	(1,477,765)	1,477,765
Future Directions Moderately Conservative Fund		
31 December 2019	(186,244)	186,244
31 December 2018	(66,809)	66,809
Future Directions Global Credit Fund		
31 December 2019	(2,100,575)	2,100,575
31 December 2018	(619,378)	619,378

The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk.

Price risk

Price risk is the risk that the fair value of equity securities, equity derivatives and managed investment funds decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual equity securities or managed investment funds or factors affecting all financial instruments in the market. Price risk exposure arises from the Schemes' investment portfolios. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates.

Price risk is managed by monitoring compliance with established investment mandate limits.

All securities present a risk of loss of capital. The maximum risk resulting from equity securities and managed investment funds is determined by the fair value of the financial instruments. The maximum risk resulting from equity derivatives is determined by reference to the notional value of the financial instruments.

The table below demonstrates the impact of a 10% movement in the price of units in equity securities, equity derivatives and managed investment funds. This sensitivity analysis has been performed to assess the direct risk of holding equity securities, equity derivatives and managed investment funds with all other variables held constant. It is assumed that the relevant change occurs at the balance date.

	Price Risk	
	-10%	+10%
	\$	\$
Future Directions Asia Ex-Japan Fund		
31 December 2019	(24,145,529)	24,145,529
31 December 2018	(19,885,489)	19,885,489
Future Directions Australian Bond Fund		
31 December 2019	(61,262,365)	61,262,365
31 December 2018	(60,242,755)	60,242,755

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Price risk (continued)

	Price Risk	
	-10%	+10%
	\$	\$
Future Directions Balanced Fund		
31 December 2019	(479,718,070)	479,718,070
31 December 2018	(475,000,716)	475,000,716
Future Directions Conservative Fund		
31 December 2019	(59,540,587)	59,540,587
31 December 2018	(60,082,322)	60,082,322
Future Directions Emerging Markets Share Fund		
31 December 2019	(211,981,921)	211,981,921
31 December 2018	(181,162,648)	181,162,648
Future Directions Growth Fund		
31 December 2019	(150,928,014)	150,928,014
31 December 2018	(145,813,800)	145,813,800
Future Directions High Growth Fund		
31 December 2019	(87,694,264)	87,694,264
31 December 2018	(79,916,459)	79,916,459
Future Directions International Bond Fund		
31 December 2019	(172,182,079)	172,182,079
31 December 2018	(141,815,792)	141,815,792
Future Directions International Share Fund		
31 December 2019	(43,108,474)	43,108,474
31 December 2018	(40,495,412)	40,495,412
Future Directions Moderately Conservative Fund		
31 December 2019	(106,391,759)	106,391,759
31 December 2018	(104,961,222)	104,961,222

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement

Financial assets and liabilities measured at fair value are categorised under a three-level hierarchy, reflecting the availability of observable market inputs when estimating the fair value. If different levels of inputs are used to measure a financial asset or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The three levels are:

Level 1: Valued by reference to quoted prices in active markets for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2: Valued using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These may include investment grade corporate bonds, certain unlisted unit trusts and over-the-counter derivatives.

Typically, prices of units in unlisted managed investment trusts that are published on the investment manager's website and/or obtained from unitholder statements, are categorised as Level 2.

In the absence of a quoted price in an active market, interest bearing securities are valued using observable inputs such as recently executed transaction prices in securities of the issuer or comparable issuers and yield curves. To the extent that the significant inputs are observable, the Responsible Entity categorises these interest bearing securities as Level 2.

Level 3: Valued in whole or in part using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. Unobservable inputs are determined based on the best information available, which might include the Schemes' own data, reflecting the Schemes' own assumptions about the assumptions that market participants would use in pricing the asset or liability. Valuation techniques are used to the extent that observable inputs are not available.

The table below shows the Schemes' financial assets and liabilities measured at fair value on a recurring basis by each level of the fair value hierarchy. The Schemes did not measure any financial assets or liabilities at fair value on a non-recurring basis as at 31 December 2019 (31 December 2018: nil).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Future Directions Asia Ex-Japan Fund				
31 December 2019				
Listed securities	234,975,530	-	-	234,975,530
Listed securities on loan	6,479,763	-	-	6,479,763
Total	<u>241,455,293</u>	<u>-</u>	<u>-</u>	<u>241,455,293</u>
31 December 2018				
Listed securities	194,562,159	-	-	194,562,159
Listed securities on loan	4,292,726	-	-	4,292,726
Derivative financial liabilities	-	(22)	-	(22)
Total	<u>198,854,885</u>	<u>(22)</u>	<u>-</u>	<u>198,854,863</u>
Future Directions Australian Bond Fund				
31 December 2019				
Interest bearing securities	-	1,685,124,639	-	1,685,124,639
Interest bearing securities on loan	-	261,355,850	-	261,355,850
Derivative financial assets	5,904,901	15,524,627	-	21,429,528
Derivative financial liabilities	(7,243,840)	(22,312,578)	-	(29,556,418)
Unlisted managed investment funds	-	612,687,152	-	612,687,152
Total	<u>(1,338,939)</u>	<u>2,552,379,690</u>	<u>-</u>	<u>2,551,040,751</u>

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Future Directions Australian Bond Fund (continued)				
31 December 2018				
Interest bearing securities	-	1,995,585,254	-	1,995,585,254
Derivative financial assets	14,930,687	24,429,518	-	39,360,205
Derivative financial liabilities	(13,767,424)	(35,379,746)	-	(49,147,170)
Unlisted managed investment funds	-	603,058,313	-	603,058,313
Total	<u>1,163,263</u>	<u>2,587,693,339</u>	<u>-</u>	<u>2,588,856,602</u>
Future Directions Balanced Fund				
31 December 2019				
Derivative financial assets	775,076	42,346,962	-	43,122,038
Derivative financial liabilities	(1,714,279)	(1,408,802)	-	(3,123,081)
Unlisted managed investment funds	-	4,794,689,073	4,156,409	4,798,845,482
Total	<u>(939,203)</u>	<u>4,835,627,233</u>	<u>4,156,409</u>	<u>4,838,844,439</u>
31 December 2018				
Listed securities	24,517,340	-	-	24,517,340
Derivative financial assets	7,577,127	1,576,436	-	9,153,563
Derivative financial liabilities	(10,574,689)	(51,710,428)	-	(62,285,117)
Unlisted managed investment funds	-	4,721,998,735	4,870,076	4,726,868,811
Total	<u>21,519,778</u>	<u>4,671,864,743</u>	<u>4,870,076</u>	<u>4,698,254,597</u>

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Future Directions Balanced Fund (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised as Level 3 of the fair value hierarchy between the beginning and the end of the financial year and prior financial year:

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/ (loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
31 December 2019							
Unlisted managed investment funds	4,870,076	-	-	-	(713,667)	4,156,409	(713,667)
Total	<u>4,870,076</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(713,667)</u>	<u>4,156,409</u>	<u>(713,667)</u>
31 December 2018							
Unlisted managed investment funds	6,613,759	-	-	-	(1,743,683)	4,870,076	(1,743,683)
Total	<u>6,613,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,743,683)</u>	<u>4,870,076</u>	<u>(1,743,683)</u>
				Level 1	Level 2	Level 3	Total
				\$	\$	\$	\$
Future Directions Conservative Fund							
31 December 2019							
Listed securities				33,762,931	-	-	33,762,931
Derivative financial assets				654,000	4,572,010	-	5,226,010
Derivative financial liabilities				(70,021)	(80,703)	-	(150,724)
Unlisted managed investment funds				-	560,676,105	718,953	561,395,058
Total				<u>34,346,910</u>	<u>565,167,412</u>	<u>718,953</u>	<u>600,233,275</u>
31 December 2018							
Listed securities				37,892,949	-	-	37,892,949
Derivative financial assets				372,646	-	-	372,646
Derivative financial liabilities				(1,604,502)	(4,832,569)	-	(6,437,071)
Unlisted managed investment funds				-	562,151,652	842,399	562,994,051
Total				<u>36,661,093</u>	<u>557,319,083</u>	<u>842,399</u>	<u>594,822,575</u>

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Future Directions Conservative Fund (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised as Level 3 of the fair value hierarchy between the beginning and the end of the financial year and prior financial year:

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/ (loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
31 December 2019							
Unlisted managed investment funds	842,399	-	-	-	(123,446)	718,953	(123,446)
Total	842,399	-	-	-	(123,446)	718,953	(123,446)
31 December 2018							
Unlisted managed investment funds	1,144,011	-	-	-	(301,612)	842,399	(301,612)
Total	1,144,011	-	-	-	(301,612)	842,399	(301,612)
				Level 1	Level 2	Level 3	Total
				\$	\$	\$	\$
Future Directions Emerging Markets Share Fund							
31 December 2019							
Listed securities				2,070,496,935	-	14,168	2,070,511,103
Listed securities on loan				48,877,446	-	-	48,877,446
Derivative financial assets				430,658	152,656	-	583,314
Derivative financial liabilities				-	(936,059)	-	(936,059)
Total				2,119,805,039	(783,403)	14,168	2,119,035,804
31 December 2018							
Listed securities				1,773,222,079	-	3,930	1,773,226,009
Listed securities on loan				38,488,522	-	-	38,488,522
Derivative financial assets				1,439	446,268	-	447,707
Derivative financial liabilities				(89,489)	(135,965)	-	(225,454)
Total				1,811,622,551	310,303	3,930	1,811,936,784

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Future Directions Emerging Markets Share Fund (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised as Level 3 of the fair value hierarchy between the beginning and the end of the financial year and prior financial year:

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/(loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
31 December 2019							
Listed securities	3,930	151,079	-	-	(140,841)	14,168	(140,841)
Total	<u>3,930</u>	<u>151,079</u>	<u>-</u>	<u>-</u>	<u>(140,841)</u>	<u>14,168</u>	<u>(140,841)</u>
31 December 2018							
Listed securities	3,543	-	-	-	387	3,930	387
Total	<u>3,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387</u>	<u>3,930</u>	<u>387</u>
				Level 1	Level 2	Level 3	Total
				\$	\$	\$	\$
Future Directions Growth Fund							
31 December 2019							
Derivative financial assets				296,625	15,042,363	-	15,338,988
Derivative financial liabilities				(915,910)	(212,262)	-	(1,128,172)
Unlisted managed investment funds				-	1,508,797,722	757,736	1,509,555,458
Total				<u>(619,285)</u>	<u>1,523,627,823</u>	<u>757,736</u>	<u>1,523,766,274</u>
31 December 2018							
Listed securities				14,574,860	-	-	14,574,860
Derivative financial assets				1,432,118	601,989	-	2,034,107
Derivative financial liabilities				(2,743,826)	(17,455,323)	-	(20,199,149)
Unlisted managed investment funds				-	1,444,212,458	887,841	1,445,100,299
Total				<u>13,263,152</u>	<u>1,427,359,124</u>	<u>887,841</u>	<u>1,441,510,117</u>

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Future Directions Growth Fund (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised as Level 3 of the fair value hierarchy between the beginning and the end of the financial year and prior financial year:

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/ (loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
31 December 2019							
Unlisted managed investment funds	887,841	-	-	-	(130,105)	757,736	(130,105)
Total	<u>887,841</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(130,105)</u>	<u>757,736</u>	<u>(130,105)</u>
31 December 2018							
Unlisted managed investment funds	1,205,724	-	-	-	(317,883)	887,841	(317,883)
Total	<u>1,205,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(317,883)</u>	<u>887,841</u>	<u>(317,883)</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Future Directions High Growth Fund				
31 December 2019				
Derivative financial assets	162,750	6,987,736	-	7,150,486
Derivative financial liabilities	(305,051)	(125,324)	-	(430,375)
Unlisted managed investment funds	-	876,864,651	220,285	877,084,936
Total	<u>(142,301)</u>	<u>883,727,063</u>	<u>220,285</u>	<u>883,805,047</u>
31 December 2018				
Listed securities	7,690,951	-	-	7,690,951
Derivative financial assets	767,404	162,803	-	930,207
Derivative financial liabilities	(1,667,986)	(6,902,517)	-	(8,570,503)
Unlisted managed investment funds	-	792,116,110	258,108	792,374,218
Total	<u>6,790,369</u>	<u>785,376,396</u>	<u>258,108</u>	<u>792,424,873</u>

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Future Directions High Growth Fund (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised as Level 3 of the fair value hierarchy between the beginning and the end of the financial year and prior financial year:

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/ (loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
31 December 2019							
Unlisted managed investment funds	258,108	-	-	-	(37,823)	220,285	(37,823)
Total	<u>258,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,823)</u>	<u>220,285</u>	<u>(37,823)</u>
31 December 2018							
Unlisted managed investment funds	350,522	-	-	-	(92,414)	258,108	(92,414)
Total	<u>350,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,414)</u>	<u>258,108</u>	<u>(92,414)</u>

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Future Directions International Bond Fund				
31 December 2019				
Interest bearing securities	-	254,383,652	-	254,383,652
Derivative financial assets	64,379	9,549,235	-	9,613,614
Derivative financial liabilities	(148,929)	(3,429,531)	-	(3,578,460)
Unlisted managed investment funds	-	1,721,820,786	-	1,721,820,786
Total	<u>(84,550)</u>	<u>1,982,324,142</u>	<u>-</u>	<u>1,982,239,592</u>
31 December 2018				
Interest bearing securities	-	219,254,608	-	219,254,608
Derivative financial assets	307,202	3,057,956	-	3,365,158
Derivative financial liabilities	(139,799)	(9,373,986)	-	(9,513,785)
Unlisted managed investment funds	-	1,418,157,916	-	1,418,157,916
Total	<u>167,403</u>	<u>1,631,096,494</u>	<u>-</u>	<u>1,631,263,897</u>

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Future Directions International Share Fund				
31 December 2019				
Unlisted managed investment funds	-	431,084,735	-	431,084,735
Total	<u>-</u>	<u>431,084,735</u>	<u>-</u>	<u>431,084,735</u>
31 December 2018				
Unlisted managed investment funds	-	404,954,122	-	404,954,122
Total	<u>-</u>	<u>404,954,122</u>	<u>-</u>	<u>404,954,122</u>
Future Directions Moderately Conservative Fund				
31 December 2019				
Derivative financial assets	1,130,639	7,878,794	-	9,009,433
Derivative financial liabilities	(433,630)	(142,123)	-	(575,753)
Unlisted managed investment funds	-	1,062,729,919	1,124,657	1,063,854,576
Total	<u>697,009</u>	<u>1,070,466,590</u>	<u>1,124,657</u>	<u>1,072,288,256</u>
31 December 2018				
Listed securities	3,338,104	-	-	3,338,104
Derivative financial assets	1,171,172	419,192	-	1,590,364
Derivative financial liabilities	(1,654,985)	(9,918,727)	-	(11,573,712)
Unlisted managed investment funds	-	1,044,896,272	1,317,764	1,046,214,036
Total	<u>2,854,291</u>	<u>1,035,396,737</u>	<u>1,317,764</u>	<u>1,039,568,792</u>

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Future Directions Moderately Conservative Fund (continued)

The table below shows a reconciliation of the movement in the fair value of financial assets and liabilities categorised as Level 3 of the fair value hierarchy between the beginning and the end of the financial year and prior financial year:

	Opening balance	Purchases	Sales	Net transfers in/(out)	Net changes in the fair value of financial instruments measured at fair value through profit or loss	Closing balance	Total gain/ (loss) for the year included in net changes in the fair value of financial instruments attributable to Level 3 instruments held at year end
	\$	\$	\$	\$	\$	\$	\$
31 December 2019							
Unlisted managed investment funds	1,317,764	-	-	-	(193,107)	1,124,657	(193,107)
Total	<u>1,317,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,107)</u>	<u>1,124,657</u>	<u>(193,107)</u>
31 December 2018							
Unlisted managed investment funds	1,789,576	-	-	-	(471,812)	1,317,764	(471,812)
Total	<u>1,789,576</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(471,812)</u>	<u>1,317,764</u>	<u>(471,812)</u>
				Level 1	Level 2	Level 3	Total
				\$	\$	\$	\$
Future Directions Global Credit Fund							
31 December 2019							
Interest bearing securities				-	921,797,851	-	921,797,851
Interest bearing securities on loan				-	10,649,636	-	10,649,636
Derivative financial assets				1,244,185	29,091,987	-	30,336,172
Derivative financial liabilities				(1,433,905)	(4,572,807)	-	(6,006,712)
Total				<u>(189,720)</u>	<u>956,966,667</u>	<u>-</u>	<u>956,776,947</u>
31 December 2018							
Interest bearing securities				-	722,508,826	-	722,508,826
Interest bearing securities on loan				-	5,225,703	-	5,225,703
Derivative financial assets				2,036,542	3,129,213	-	5,165,755
Derivative financial liabilities				(2,355,131)	(25,854,570)	-	(28,209,701)
Total				<u>(318,589)</u>	<u>705,009,172</u>	<u>-</u>	<u>704,690,583</u>

The Schemes recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the transfer has occurred.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the financial year ended 31 December 2019 (financial year ended 31 December 2018: nil).

Valuation techniques

The valuation techniques and inputs used in measuring the fair value of financial assets and liabilities are outlined in Note 1(c) and 1(d).

There were no material changes in valuation techniques during the financial year.

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Valuation techniques (continued)

For financial assets and liabilities categorised as Level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets and liabilities are governed by the AMP Capital Holdings Limited Asset Valuation Policy which has been adopted by the Responsible Entity. This Policy outlines the valuation methodologies and processes applied to measure non-exchange traded financial instruments which have no regular market price, including listed securities suspended from the relevant exchange, unlisted investment structures and over-the-counter derivatives.

The table below summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

Financial statement caption	Valuation technique	Range of key unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Listed securities	Last traded price, unless it is determined that another valuation basis is more appropriate	Premium/liquidity discount adjustment to the last traded price	A premium/liquidity discount adjustment to the last traded price would result in an increase/decrease in the fair value of the asset
Unlisted managed investment funds	Net Asset Value of the unlisted managed investment fund	Valuation of the unlisted managed investment fund Suspended redemptions	An increase/decrease in the value of the underlying investments in the unlisted managed investment fund would result in a higher/lower fair value

(e) Master netting or similar agreements

The Schemes present the fair value of their derivative assets and liabilities on a gross basis in the Statements of Financial Position. Certain derivative assets and liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association ("ISDA") master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is receivable/payable in settlement of all transactions.

An ISDA agreement does not meet the criteria for offsetting in the Statements of Financial Position as the Schemes do not have any currently legally enforceable right to offset recognised amounts, as the right to offset is enforceable only on the occurrence of future events such as a default.

As at 31 December 2019 and 31 December 2018, the impact, if these netting arrangements were applied to the derivative portfolios of the Schemes, would be as follows:

	Gross derivative assets \$	Effect of netting arrangements \$	Net derivative assets \$	Gross derivative liabilities \$	Effect of netting arrangements \$	Net derivative liabilities \$
31 December 2019						
Future Directions Australian Bond Fund	21,429,528	(9,818,890)	11,610,638	29,556,418	(9,818,890)	19,737,528
Future Directions Balanced Fund	43,122,038	(806,224)	42,315,814	3,123,081	(806,224)	2,316,857
Future Directions Conservative Fund	5,226,010	(80,703)	5,145,307	150,724	(80,703)	70,021
Future Directions Growth Fund	15,338,988	(212,262)	15,126,726	1,128,172	(212,262)	915,910
Future Directions High Growth Fund	7,150,486	(20,010)	7,130,476	430,375	(20,010)	410,365
Future Directions Moderately Conservative Fund	9,009,433	(142,122)	8,867,311	575,753	(142,122)	433,631

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 9: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Master netting or similar agreements (continued)

	Gross derivative assets \$	Effect of netting arrangements \$	Net derivative assets \$	Gross derivative liabilities \$	Effect of netting arrangements \$	Net derivative liabilities \$
31 December 2018						
Future Directions Australian Bond Fund	39,360,205	(23,715,438)	15,644,767	49,147,170	(23,715,438)	25,431,732
Future Directions Balanced Fund	9,153,563	(616,125)	8,537,438	62,285,117	(616,125)	61,668,992
Future Directions Conservative Fund	372,646	-	372,646	6,437,071	-	6,437,071
Future Directions Growth Fund	2,034,107	(179,787)	1,854,320	20,199,149	(179,787)	20,019,362
Future Directions High Growth Fund	930,207	(69,757)	860,450	8,570,503	(69,757)	8,500,746
Future Directions Moderately Conservative Fund	1,590,364	(130,550)	1,459,814	11,573,712	(130,550)	11,443,162

NOTE 10: UNCONSOLIDATED SUBSIDIARIES

Scheme	Subsidiary name	Principal place of business	Ownership interest	
			31 December 2019 %	31 December 2018 %
Future Directions Balanced Fund	Future Directions Real Property Fund*	Australia	47.73	52.74
	Future Directions Opportunistic Fund	Australia	54.06	54.06
	Future Directions Transition Fund 3	Australia	100.00	100.00
Future Directions International Bond Fund	Future Directions Global Government Bond Fund	Australia	100.00	100.00
	Future Directions Global Credit Fund	Australia	52.38	52.45

*Unconsolidated subsidiary as at 31 December 2018 only.

The above subsidiaries do not control any further subsidiaries.

Restrictions

The Schemes receive income in the form of distributions and interest from its investments in unconsolidated subsidiaries, and there are no significant restrictions on the transfer of funds from these entities to the Schemes.

Support

The Schemes have no contractual commitments or current intentions to provide any other financial support to its unconsolidated subsidiaries, other than those specified in Note 11.

FUTURE DIRECTIONS FUNDS

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 11: COMMITMENTS AND CONTINGENCIES

Future Directions Asia Ex-Japan Fund

The Scheme had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

Future Directions Australian Bond Fund

The Scheme had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

Future Directions Balanced Fund

The Scheme has investment expenditure commitments of \$45,562,955 (31 December 2018: \$45,562,955) to Future Directions Opportunistic Fund, \$25,119,497 (31 December 2018: \$50,268,308) to Future Directions Private Equity Fund 5A, \$51,618,963 (31 December 2018: \$69,361,308) to Future Directions Private Equity Fund 4A, \$67,304,816 (31 December 2018: \$79,654,156) to Future Directions Private Equity Fund 3A and \$15,752,947 (31 December 2018: \$15,752,947) to FD Diversified Alternatives Fund.

These commitments have no specific maturity dates.

Future Directions Conservative Fund

The Scheme has investment expenditure commitments of \$1,623,395 (31 December 2018: \$1,623,395) to Future Directions Opportunistic Fund and \$1,520,123 (31 December 2018: \$1,520,123) to FD Diversified Alternatives Fund.

These commitments have no specific maturity dates.

Future Directions Emerging Markets Share Fund

The Scheme had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

Future Directions Growth Fund

The Scheme has investment expenditure commitments of \$10,109,932 (31 December 2018: \$10,109,932) to Future Directions Opportunistic Fund, \$7,279,574 (31 December 2018: \$12,310,606) to Future Directions Private Equity Fund 5A, \$13,819,817 (31 December 2018: \$17,133,296) to Future Directions Private Equity Fund 4A, \$23,348,553 (31 December 2018: \$25,024,118) to Future Directions Private Equity Fund 3A and \$5,700,457 (31 December 2018: \$5,700,457) to FD Diversified Alternatives Fund.

These commitments have no specific maturity dates.

Future Directions High Growth Fund

The Scheme has investment expenditure commitments of \$5,802,644 (31 December 2018: \$5,802,644) to Future Directions Opportunistic Fund, \$4,078,053 (31 December 2018: \$6,155,303) to Future Directions Private Equity Fund 5A, \$6,762,840 (31 December 2018: \$7,908,641) to Future Directions Private Equity Fund 4A, \$13,213,660 (31 December 2018: \$13,193,952) to Future Directions Private Equity Fund 3A and \$1,520,123 (31 December 2018: \$1,520,123) to FD Diversified Alternatives Fund.

These commitments have no specific maturity dates.

Future Directions International Bond Fund

The Scheme had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

Future Directions International Share Fund

The Scheme had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

FUTURE DIRECTIONS FUNDS

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Future Directions Moderately Conservative Fund

The Scheme has investment expenditure commitments of \$5,359,647 (31 December 2018: \$5,359,647) to Future Directions Opportunistic Fund, \$2,718,227 (31 December 2018: \$4,103,062) to Future Directions Private Equity Fund 5A, \$11,487,954 (31 December 2018: \$11,470,820) to Future Directions Private Equity Fund 3A and \$2,280,182 (31 December 2018: \$2,280,182) to FD Diversified Alternatives Fund.

These commitments have no specific maturity dates.

Future Directions Global Credit Fund

The Scheme had no commitments or contingencies at 31 December 2019 (31 December 2018: nil).

These commitments have no specific maturity dates.

NOTE 12: EVENTS OCCURRING AFTER THE BALANCE DATE

Since 31 December 2019, there have been no matters or circumstances not otherwise dealt with in the Financial Report that have significantly affected or may significantly affect the Schemes.

NOTE 13: AUTHORISATION OF THE FINANCIAL REPORT

The Financial Report of the Schemes for the financial year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Directors of AMP Capital Funds Management Limited on 12 March 2020.

FUTURE DIRECTIONS FUNDS

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of AMP Capital Funds Management Limited, the Responsible Entity, I state that for the purpose of section 295(4) of the Corporations Act, in the opinion of the Directors of the Responsible Entity:

Future Directions Asia Ex-Japan Fund
Future Directions Australian Bond Fund
Future Directions Balanced Fund
Future Directions Conservative Fund
Future Directions Emerging Markets Share Fund
Future Directions Growth Fund
Future Directions High Growth Fund
Future Directions International Bond Fund
Future Directions International Share Fund
Future Directions Moderately Conservative Fund
Future Directions Global Credit Fund

- (a) The Financial Statements and notes are in accordance with the Corporations Act, including section 296 (compliance with accounting standards) and section 297 (true and fair view);
- (b) There are reasonable grounds to believe that the Schemes will be able to pay their debts as and when they become due and payable; and
- (c) The Financial Statements and notes comply with International Financial Reporting Standards applicable to annual reporting as disclosed in Note 1(a).



Director
12 March 2020, Sydney



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Independent Auditor's Report to the unitholders of Future Directions Funds

Opinion

For the following Future Directions Funds (the "Schemes"):

- ▶ Future Directions Asia Ex-Japan Fund
- ▶ Future Directions Australian Bond Fund
- ▶ Future Directions Balanced Fund
- ▶ Future Directions Conservative Fund
- ▶ Future Directions Emerging Markets Share Fund
- ▶ Future Directions Global Credit Fund
- ▶ Future Directions Growth Fund
- ▶ Future Directions High Growth Fund
- ▶ Future Directions International Bond Fund
- ▶ Future Directions International Share Fund
- ▶ Future Directions Moderately Conservative Fund

We have audited the financial reports of the Schemes, which comprise the statements of financial position as at 31 December 2019, the statements of comprehensive income, statements of changes in net assets attributable to unitholders and statements of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial reports of the Schemes are in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Schemes' financial position as at 31 December 2019 and of their financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.



Basis for Opinion

We conducted our audits in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Schemes in accordance with the auditor independence requirements of 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* (the "Code") that are relevant to our audits of the financial reports in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors of AMP Capital Funds Management Limited as the Responsible Entity of the Schemes (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial reports.

Our opinion on the financial reports does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial reports, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial reports or our knowledge obtained in the audits or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial reports, the directors of the Responsible Entity are responsible for assessing the Schemes' ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Schemes or to cease operations, or have no realistic alternative but to do so.



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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial reports, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Responsible Entity's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Schemes' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reports or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Schemes to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial reports, including the disclosures, and whether the financial reports represent the underlying transactions and events in a manner that achieves fair presentation.



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

Ernst & Young

Mark Jones
Partner
Sydney
12 March 2020