

RESPONSIBLE INVESTMENT LEADERS 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**

RESPONSIBLE INVESTMENT LEADERS FUNDS

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RESPONSIBLE INVESTMENT LEADERS FUNDS

DIRECTORS' REPORT

The Directors of AMP Capital Funds Management Limited (ABN 15 159 557 721), the "Responsible Entity" of the Responsible Investment Leaders 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
Responsible Investment Leaders Balanced Fund	095 787 723
Responsible Investment Leaders International Share Fund	095 791 325
Responsible Investment Leaders Australian Share Fund	112 835 631
Responsible Investment Leaders Growth Fund	112 835 873
Responsible Investment Leaders Conservative Fund	112 835 793
Responsible Investment Leaders High Growth Fund	131 242 594

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
	\$	\$	\$	\$
Responsible Investment Leaders Balanced Fund	172,203,148	(8,165,031)	55,602,058	110,638,658
Responsible Investment Leaders International Share Fund	134,070,553	(2,701,787)	77,982,902	69,017,374
Responsible Investment Leaders Australian Share Fund	95,933,234	(8,825,228)	10,908,968	73,932,447
Responsible Investment Leaders Growth Fund	32,088,939	(2,607,234)	8,617,692	21,476,145
Responsible Investment Leaders Conservative Fund	5,422,298	537,684	1,867,324	3,062,861
Responsible Investment Leaders High Growth Fund	5,087,515	(311,460)	1,495,823	3,381,070

RESPONSIBLE INVESTMENT LEADERS FUNDS

DIRECTORS' REPORT (Continued)

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 7 to the Financial Statements
- Units held by the Responsible Entity in the Schemes - refer to Note 7 to the Financial Statements
- Units issued in the Schemes during the financial year - refer to Note 5 to the Financial Statements
- Units withdrawn from the Schemes during the financial year - refer to Note 5 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 5 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.

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.

RESPONSIBLE INVESTMENT LEADERS FUNDS

DIRECTORS' REPORT (Continued)

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

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

For the following Responsible Investment Leaders Funds (the "Schemes"):

- ▶ Responsible Investment Leaders Australian Share Fund
- ▶ Responsible Investment Leaders Balanced Fund
- ▶ Responsible Investment Leaders Conservative Fund
- ▶ Responsible Investment Leaders Growth Fund
- ▶ Responsible Investment Leaders High Growth Fund
- ▶ Responsible Investment Leaders International Share 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

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Notes	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$
INVESTMENT INCOME							
Dividends		-	-	12,639,522	10,424,412	10,972,913	9,278,803
Distributions		74,652,500	107,162,568	6,455,310	9,952,735	8,881,308	1,599,959
Interest income from financial assets measured at amortised cost		687,768	1,719,963	116,472	192,063	151,521	189,866
Net foreign exchange gain/(loss) on cash and cash equivalents		20,122	(272,697)	(113,323)	67,191	-	-
Net changes in the fair value of financial instruments measured at fair value through profit or loss		104,936,938	(109,457,105)	118,319,355	(19,947,233)	75,792,742	(19,812,601)
Responsible entity fee rebates	7(c)	-	-	-	-	327,958	380,154
Securities lending income		-	-	20,407	5,174	18,417	10,813
Other income		39,594	419,059	32,007	26,550	236,645	5,659
Total investment income/(loss)		<u>180,336,922</u>	<u>(428,212)</u>	<u>137,469,750</u>	<u>720,892</u>	<u>96,381,504</u>	<u>(8,347,347)</u>
EXPENSES							
Interest expense		(86,398)	(171,611)	(289)	(224)	-	-
Responsible entity fees	7(c)	(6,724,278)	(6,293,910)	(886,692)	(1,064,962)	-	-
Custody fees		(131,198)	(44,225)	(243,203)	(167,749)	(91,176)	(20,930)
Transaction costs		(21,150)	(52,092)	(413,565)	(536,791)	(313,583)	(426,072)
Securities lending fees - agent		-	-	(5,107)	(1,552)	(4,832)	(3,325)
Securities lending fees - service provider	7(c)	-	-	(2,041)	(517)	(1,847)	(1,108)
Other expenses		(1,052)	(13,234)	(173,168)	(160,387)	-	-
Total expenses		<u>(6,964,076)</u>	<u>(6,575,072)</u>	<u>(1,724,065)</u>	<u>(1,932,182)</u>	<u>(411,438)</u>	<u>(451,435)</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS		<u>173,372,846</u>	<u>(7,003,284)</u>	<u>135,745,685</u>	<u>(1,211,290)</u>	<u>95,970,066</u>	<u>(8,798,782)</u>
Withholding tax expense		(1,169,698)	(1,161,747)	(1,675,132)	(1,490,497)	(36,832)	(26,446)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS		<u>172,203,148</u>	<u>(8,165,031)</u>	<u>134,070,553</u>	<u>(2,701,787)</u>	<u>95,933,234</u>	<u>(8,825,228)</u>
Finance costs attributable to unitholders							
Distributions to unitholders		(55,602,058)	(110,638,658)	(77,982,902)	(69,017,374)	(10,908,968)	(73,932,447)
(Increase)/decrease in net assets attributable to unitholders		<u>(116,601,090)</u>	<u>118,803,689</u>	<u>(56,087,651)</u>	<u>71,719,161</u>	<u>(85,024,266)</u>	<u>82,757,675</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Notes	Responsible Investment Leaders Growth Fund		Responsible Investment Leaders Conservative Fund	
		31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$
INVESTMENT INCOME					
Dividends		-	-	-	-
Distributions		12,145,636	20,776,446	2,299,167	2,644,160
Interest income from financial assets measured at amortised cost		64,260	220,977	95,154	172,825
Net foreign exchange gain/(loss) on cash and cash equivalents		(2,918)	2,005	-	(2,211)
Net changes in the fair value of financial instruments measured at fair value through profit or loss		20,127,199	(23,292,365)	3,111,691	(2,185,968)
Responsible entity fee rebates	7(c)	-	-	-	-
Securities lending income		-	-	-	-
Other income		-	-	-	-
Total investment income/(loss)		32,334,177	(2,292,937)	5,506,012	628,806
EXPENSES					
Interest expense		(3,736)	(3,248)	(1,004)	(2,067)
Responsible entity fees	7(c)	(3,455)	(35,096)	(31,735)	(46,099)
Custody fees		(21,311)	(18,981)	(16,432)	(10,904)
Transaction costs		(1,743)	(4,480)	(813)	(1,429)
Securities lending fees - agent		-	-	-	-
Securities lending fees - service provider	7(c)	-	-	-	-
Other expenses		-	-	(425)	-
Total expenses		(30,245)	(61,805)	(50,409)	(60,499)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS					
		32,303,932	(2,354,742)	5,455,603	568,307
Withholding tax expense		(214,993)	(252,492)	(33,305)	(30,623)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS					
		32,088,939	(2,607,234)	5,422,298	537,684
Finance costs attributable to unitholders					
Distributions to unitholders		(8,617,692)	(21,476,145)	(1,867,324)	(3,062,861)
(Increase)/decrease in net assets attributable to unitholders		(23,471,247)	24,083,379	(3,554,974)	2,525,177
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS					
		-	-	-	-
Other comprehensive income		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		-	-	-	-

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Responsible Investment Leaders High Growth Fund	
	31 December 2019	31 December 2018
Notes	\$	\$
INVESTMENT INCOME		
Dividends	-	-
Distributions	1,850,686	3,425,991
Interest income from financial assets measured at amortised cost	10,587	7,039
Net foreign exchange gain/(loss) on cash and cash equivalents	(257)	619
Net changes in the fair value of financial instruments measured at fair value through profit or loss	3,258,144	(3,716,686)
Responsible entity fee rebates	-	-
Securities lending income	-	-
Other income	-	649
Total investment income/(loss)	<u>5,119,160</u>	<u>(282,388)</u>
EXPENSES		
Interest expense	(582)	(171)
Responsible entity fees	-	-
Custody fees	(2,738)	-
Transaction costs	(284)	(231)
Securities lending fees - agent	-	-
Securities lending fees - service provider	-	-
Other expenses	-	-
Total expenses	<u>(3,604)</u>	<u>(402)</u>
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS BEFORE TAX EXPENSES AND FINANCE COSTS	5,115,556	(282,790)
Withholding tax expense	(28,041)	(28,670)
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND BEFORE FINANCE COSTS	5,087,515	(311,460)
Finance costs attributable to unitholders		
Distributions to unitholders*	-	(3,381,070)
(Increase)/decrease in net assets attributable to unitholders*	-	3,692,530
NET PROFIT/(LOSS) ATTRIBUTABLE TO UNITHOLDERS AFTER TAX EXPENSES AND FINANCE COSTS	<u>5,087,515</u>	-
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	<u>5,087,515</u>	-

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

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Notes	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$	\$	\$
ASSETS							
Cash and cash equivalents		63,465,171	68,002,870	16,068,355	11,023,932	11,368,735	8,026,244
Broker deposits		-	8,786,699	-	-	125,440	74,196
Receivables	3	14,014,223	8,788,692	1,518,180	4,271,625	2,576,649	558,152
Financial assets measured at fair value through profit or loss							
Listed securities		-	-	519,317,835	508,236,076	266,235,788	225,359,618
Listed securities on loan		-	-	8,322,966	205,251	767,761	6,184,969
Derivative financial instruments		5,869,882	799,781	-	8,163	-	8,293
Unlisted managed investment funds		1,056,678,166	963,961,660	55,814,069	57,802,675	129,290,561	128,550,857
TOTAL ASSETS		<u>1,140,027,442</u>	<u>1,050,339,702</u>	<u>601,041,405</u>	<u>581,547,722</u>	<u>410,364,934</u>	<u>368,762,329</u>
LIABILITIES							
Payables	4	800,349	557,379	412,512	2,471,009	26,696	7,549
Broker advances		3,458,020	-	-	70	-	-
Distributions payable		6,167,839	5,504,618	4,470,567	3,865,604	4,495,689	5,513,152
Financial liabilities measured at fair value through profit or loss							
Derivative financial instruments		3,144	7,589,122	832	16,444	67,158	-
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>10,429,352</u>	<u>13,651,119</u>	<u>4,883,911</u>	<u>6,353,127</u>	<u>4,589,543</u>	<u>5,520,701</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>1,129,598,090</u>	<u>1,036,688,583</u>	<u>596,157,494</u>	<u>575,194,595</u>	<u>405,775,391</u>	<u>363,241,628</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Notes	Responsible Investment Leaders Growth Fund		Responsible Investment Leaders Conservative Fund	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		\$	\$	\$	\$
ASSETS					
Cash and cash equivalents		2,563,703	5,750,081	4,669,147	7,707,796
Broker deposits		-	1,661,680	-	104,361
Receivables	3	1,769,037	1,536,322	619,122	224,330
Financial assets measured at fair value through profit or loss					
Listed securities		-	-	-	-
Listed securities on loan		-	-	-	-
Derivative financial instruments		1,061,112	5,902	239,927	39,343
Unlisted managed investment funds		160,133,388	139,721,537	48,724,252	34,200,364
TOTAL ASSETS		<u>165,527,240</u>	<u>148,675,522</u>	<u>54,252,448</u>	<u>42,276,194</u>
LIABILITIES					
Payables	4	2,053	8,597	3,039	10,361
Broker advances		462,689	-	31,888	-
Distributions payable		988,346	955,920	576,975	306,216
Financial liabilities measured at fair value through profit or loss					
Derivative financial instruments		15,259	1,363,079	14,822	200,031
TOTAL LIABILITIES EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>1,468,347</u>	<u>2,327,596</u>	<u>626,724</u>	<u>516,608</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - LIABILITY		<u>164,058,893</u>	<u>146,347,926</u>	<u>53,625,724</u>	<u>41,759,586</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

**Responsible Investment Leaders
High Growth Fund**

	Notes	31 December 2019 \$	31 December 2018 \$
ASSETS			
Cash and cash equivalents		381,412	626,852
Broker deposits		16,755	78,271
Receivables	3	234,805	230,043
Financial assets measured at fair value through profit or loss			
Listed securities		-	-
Listed securities on loan		-	-
Derivative financial instruments		5,250	-
Unlisted managed investment funds		24,621,417	19,789,468
TOTAL ASSETS		<u>25,259,639</u>	<u>20,724,634</u>
LIABILITIES			
Payables	4	-	-
Broker advances		-	-
Distributions payable		221,188	228,049
Financial liabilities measured at fair value through profit or loss			
Derivative financial instruments		-	22,270
TOTAL LIABILITIES		<u>221,188</u>	<u>250,319</u>
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS - EQUITY*		<u>25,038,451</u>	<u>20,474,315</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(m) for further details.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share 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	1,036,688,583	1,009,908,851	575,194,595	534,788,112	363,241,628	396,303,826
Applications	511,626,616	161,743,845	31,557,935	86,054,801	19,860,853	6,876,218
Distributions to unitholders reinvested	52,638,463	108,636,664	70,408,173	60,817,045	11,900,401	74,055,476
Redemptions	(587,956,662)	(124,797,088)	(137,090,860)	(34,746,202)	(74,251,757)	(31,236,217)
	<u>1,012,997,000</u>	<u>1,155,492,272</u>	<u>540,069,843</u>	<u>646,913,756</u>	<u>320,751,125</u>	<u>445,999,303</u>
Increase/(decrease) in net assets attributable to unitholders	<u>116,601,090</u>	<u>(118,803,689)</u>	<u>56,087,651</u>	<u>(71,719,161)</u>	<u>85,024,266</u>	<u>(82,757,675)</u>
Balance at the end of the financial year - Liability	<u><u>1,129,598,090</u></u>	<u><u>1,036,688,583</u></u>	<u><u>596,157,494</u></u>	<u><u>575,194,595</u></u>	<u><u>405,775,391</u></u>	<u><u>363,241,628</u></u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Responsible Investment Leaders Growth Fund		Responsible Investment Leaders Conservative Fund	
	31 December 2019 \$	31 December 2018 \$	31 December 2019 \$	31 December 2018 \$
Balance at the beginning of the financial year - Liability	146,347,926	153,553,158	41,759,586	46,898,085
Applications	1,377,882	3,531,504	11,093,643	6,034,046
Distributions to unitholders reinvested	8,567,625	21,926,334	1,595,380	3,131,758
Redemptions	(15,705,787)	(8,579,691)	(4,377,859)	(11,779,126)
	<u>140,587,646</u>	<u>170,431,305</u>	<u>50,070,750</u>	<u>44,284,763</u>
Increase/(decrease) in net assets attributable to unitholders	23,471,247	(24,083,379)	3,554,974	(2,525,177)
Balance at the end of the financial year - Liability	<u><u>164,058,893</u></u>	<u><u>146,347,926</u></u>	<u><u>53,625,724</u></u>	<u><u>41,759,586</u></u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Responsible Investment Leaders High Growth Fund	
	31 December 2019	31 December 2018
	\$	\$
Balance at the beginning of the financial year - Equity*	20,474,315	-
Net profit/(loss) attributable to unitholders*	5,087,515	-
Other comprehensive income	-	-
Total comprehensive income for the financial year	<u>5,087,515</u>	<u>-</u>
Applications	1,873,682	-
Distributions to unitholders reinvested	1,502,684	-
Redemptions	(2,403,922)	-
Distributions to unitholders*	<u>(1,495,823)</u>	<u>-</u>
	(523,379)	-
Reclassification of net assets attributable to unitholders from liabilities to equity - transfer in*	-	20,474,315
Balance at the end of the financial year - Equity*	<u><u>25,038,451</u></u>	<u><u>20,474,315</u></u>

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

	Responsible Investment Leaders High Growth Fund	
	31 December 2019	31 December 2018
	\$	\$
Balance at the beginning of the financial year - Liability*	-	20,669,075
Applications	-	1,716,932
Distributions to unitholders reinvested	-	3,401,878
Redemptions	<u>-</u>	<u>(1,621,040)</u>
	-	24,166,845
Increase/(decrease) in net assets attributable to unitholders*	<u>-</u>	<u>(3,692,530)</u>
Reclassification of net assets attributable to unitholders from liabilities to equity - transfer out*	-	(20,474,315)
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(m) 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.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

Notes	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share 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	246,203,566	21,497,159	454,521,376	590,303,878	146,587,571	186,349,737
Payments for purchases of financial instruments measured at fair value through profit or loss	(181,874,931)	(56,335,912)	(346,297,386)	(640,176,334)	(106,622,091)	(169,264,363)
Broker deposits received/(advanced)	12,244,719	(4,972,661)	(70)	70	(51,245)	(20,196)
Dividends received	-	-	12,543,862	10,369,300	10,970,547	7,984,176
Distributions received	5,954,415	5,842,765	358,540	443,711	6,567,450	1,585,604
Interest income received	687,456	1,720,003	117,858	188,083	153,071	190,084
Interest expense paid	(86,414)	(171,595)	(289)	(224)	-	-
GST received/(paid)	5,680	(21,291)	21,638	(12,606)	1,144	1,655
Securities lending income received	-	-	20,407	5,174	18,417	10,813
Other income received	39,594	419,059	32,007	26,550	236,645	5,659
Responsible entity fee rebates received	-	-	-	-	327,039	352,747
Responsible entity fees paid	(6,676,503)	(6,272,145)	(912,418)	(1,072,503)	-	(4,999)
Custody fees paid	(107,671)	(37,239)	(269,733)	(262,797)	(70,720)	(26,223)
Transaction costs paid	(21,150)	(52,092)	(414,372)	(535,001)	(313,746)	(429,474)
Withholding tax paid	(1,169,698)	(1,161,747)	(1,885,548)	(1,624,894)	(36,832)	(26,446)
Securities lending fees paid - agent	-	-	(5,107)	(1,552)	(4,832)	(3,325)
Securities lending fees paid - service provider	-	-	(2,041)	(517)	(1,847)	(1,108)
Other expenses paid	(1,052)	(13,234)	(173,168)	(160,387)	-	-
Net cash inflow/(outflow) from operating activities	6(a) 75,198,011	(39,558,930)	117,655,556	(42,510,049)	57,760,571	26,704,341
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	510,329,520	161,918,495	31,560,990	86,095,893	19,860,853	6,876,218
Payments for redemptions by unitholders	(587,784,978)	(124,798,894)	(137,089,034)	(34,781,240)	(74,252,903)	(31,252,562)
Distributions paid to unitholders	(2,300,374)	(4,111,515)	(6,969,766)	(7,808,420)	(26,030)	(497,364)
Net cash inflow/(outflow) from financing activities	(79,755,832)	33,008,086	(112,497,810)	43,506,233	(54,418,080)	(24,873,708)
Net increase/(decrease) in cash and cash equivalents held	(4,557,821)	(6,550,844)	5,157,746	996,184	3,342,491	1,830,633
Cash and cash equivalents at the beginning of the financial year	68,002,870	74,826,411	11,023,932	9,960,557	8,026,244	6,195,611
Net foreign exchange gain/(loss) on cash and cash equivalents	20,122	(272,697)	(113,323)	67,191	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	63,465,171	68,002,870	16,068,355	11,023,932	11,368,735	8,026,244

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(j) Cash and Cash Equivalents and Note 7(b)(i) Related party holdings.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

	Responsible Investment Leaders Growth Fund		Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders High Growth 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	21,482,750	4,379,544	1,783,663	4,617,751	2,429,859	2,789,115
Payments for purchases of financial instruments measured at fair value through profit or loss	(12,803,235)	(3,994,845)	(11,744,585)	(712,368)	(2,213,255)	(2,553,455)
Broker deposits received/(advanced)	2,124,369	(1,459,069)	136,249	(38,706)	61,516	(60,409)
Dividends received	-	-	-	-	-	-
Distributions received	504,844	553,566	33,305	30,623	28,042	28,668
Interest income received	64,269	220,961	95,190	172,876	10,587	7,039
Interest expense paid	(3,736)	(3,248)	(324)	(2,067)	(582)	(171)
GST received/(paid)	85	(345)	158	(626)	(47)	-
Securities lending income received	-	-	-	-	-	-
Other income received	-	-	-	-	-	649
Responsible entity fee rebates received	40,786	-	4,432	-	-	-
Responsible entity fees paid	(2,703)	(35,842)	-	(46,988)	-	-
Custody fees paid	(27,382)	(12,910)	(20,877)	(6,459)	(2,738)	-
Transaction costs paid	(1,743)	(4,480)	(813)	(1,429)	(284)	(231)
Withholding tax paid	(214,993)	(252,492)	(33,305)	(30,623)	(28,041)	(28,670)
Securities lending fees paid - agent	-	-	-	-	-	-
Securities lending fees paid - service provider	-	-	-	-	-	-
Other expenses paid	-	-	(425)	-	-	-
Net cash inflow/(outflow) from operating activities	<u>6(a) 11,163,311</u>	<u>(609,160)</u>	<u>(9,747,332)</u>	<u>3,981,984</u>	<u>285,057</u>	<u>182,535</u>
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from applications by unitholders	1,377,882	3,531,504	11,093,643	6,034,046	1,873,682	1,716,932
Payments for redemptions by unitholders	(15,707,012)	(8,577,165)	(4,383,775)	(11,775,507)	(2,403,922)	(1,621,040)
Distributions paid to unitholders	(17,641)	(28,728)	(1,185)	(3,022)	-	-
Net cash inflow/(outflow) from financing activities	<u>(14,346,771)</u>	<u>(5,074,389)</u>	<u>6,708,683</u>	<u>(5,744,483)</u>	<u>(530,240)</u>	<u>95,892</u>
Net increase/(decrease) in cash and cash equivalents held	<u>(3,183,460)</u>	<u>(5,683,549)</u>	<u>(3,038,649)</u>	<u>(1,762,499)</u>	<u>(245,183)</u>	<u>278,427</u>
Cash and cash equivalents at the beginning of the financial year	5,750,081	11,431,625	7,707,796	9,472,506	626,852	347,806
Net foreign exchange gain/(loss) on cash and cash equivalents	(2,918)	2,005	-	(2,211)	(257)	619
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR*	<u>2,563,703</u>	<u>5,750,081</u>	<u>4,669,147</u>	<u>7,707,796</u>	<u>381,412</u>	<u>626,852</u>

*Cash and cash equivalents include investments in unlisted cash trusts. Further details are disclosed in Note 1(j) Cash and Cash Equivalents and Note 7(b)(i) Related party holdings.

RESPONSIBLE INVESTMENT LEADERS 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 and unlisted managed investments schemes 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:

RESPONSIBLE INVESTMENT LEADERS 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.

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.

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 exchange traded options is the market price of the security, as quoted on its primary exchange at the balance date.

RESPONSIBLE INVESTMENT LEADERS 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)

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.

(e) 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:

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 8(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 9 have been determined to be investment entities even though some of the unitholders are related parties (as outlined in Note 7). 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.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

(f) 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.

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.

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.

(g) Responsible Entity Fee Rebates

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

(h) Expenses

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

(i) Broker Deposits

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

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Broker Advances

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

(k) 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 7(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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) 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(m) 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.

(q) 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.

(r) 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.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) 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.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 2: AUDITORS' REMUNERATION

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund		Responsible Investment Leaders Growth 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 Ernst & Young, the auditor of the Schemes, for:								
Audit and review of the Financial Statements of the Schemes	23,350	22,890	14,850	14,560	9,550	9,360	9,550	14,560
Other services - audit of compliance plan	2,008	1,240	2,008	1,240	2,008	1,240	2,008	1,240
	<u>25,358</u>	<u>24,130</u>	<u>16,858</u>	<u>15,800</u>	<u>11,558</u>	<u>10,600</u>	<u>11,558</u>	<u>15,800</u>

	Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders High Growth Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
Amounts paid or payable to Ernst & Young, the auditor of the Schemes, for:				
Audit and review of the Financial Statements of the Schemes	9,550	9,360	9,550	9,360
Other services - audit of compliance plan	2,008	1,240	2,008	1,240
	<u>11,558</u>	<u>10,600</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 7(c).

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 3: RECEIVABLES

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund		Responsible Investment Leaders Growth 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	-	-	424,526	402,684	3,167	801	-	-
Distributions receivable	12,593,578	8,659,775	412,077	601,433	2,534,875	221,017	1,767,780	1,494,185
Interest receivable	312	-	4,646	6,032	1,899	3,449	14	23
Outstanding settlements receivable	-	-	-	2,770,268	-	295,952	-	-
Applications receivable*	1,300,119	3,023	3,334	6,389	-	-	-	-
GST receivable	120,214	125,894	31,215	52,853	8,382	9,526	1,243	1,328
Responsible entity fee rebates receivable	-	-	-	-	28,326	27,407	-	40,786
Withholding tax reclaims receivable	-	-	642,382	431,966	-	-	-	-
	<u>14,014,223</u>	<u>8,788,692</u>	<u>1,518,180</u>	<u>4,271,625</u>	<u>2,576,649</u>	<u>558,152</u>	<u>1,769,037</u>	<u>1,536,322</u>

	Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders High Growth Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
Dividends receivable	-	-	-	-
Distributions receivable	617,867	189,073	234,758	230,043
Interest receivable	-	36	-	-
Outstanding settlements receivable	-	-	-	-
Applications receivable*	-	-	-	-
GST receivable	1,255	1,413	47	-
Responsible entity fee rebates receivable	-	33,808	-	-
Withholding tax reclaims receivable	-	-	-	-
	<u>619,122</u>	<u>224,330</u>	<u>234,805</u>	<u>230,043</u>

*Applications receivable represents uncontributed capital.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 4: PAYABLES

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund		Responsible Investment Leaders Growth 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	583,840	536,065	64,828	90,554	-	-	752	-
Interest payable	-	16	-	-	-	-	-	-
Custody fees payable	35,875	12,348	19,534	46,064	26,696	6,240	-	6,071
Transaction costs payable	-	-	983	1,790	-	163	-	-
Outstanding settlements payable	-	-	321,951	2,329,211	-	-	-	-
Redemptions payable	180,634	8,950	5,216	3,390	-	1,146	1,301	2,526
	<u>800,349</u>	<u>557,379</u>	<u>412,512</u>	<u>2,471,009</u>	<u>26,696</u>	<u>7,549</u>	<u>2,053</u>	<u>8,597</u>

	Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders High Growth Fund	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
	\$	\$	\$	\$
Responsible entity fees payable	2,359	-	-	-
Interest payable	680	-	-	-
Custody fees payable	-	4,445	-	-
Transaction costs payable	-	-	-	-
Outstanding settlements payable	-	-	-	-
Redemptions payable	-	5,916	-	-
	<u>3,039</u>	<u>10,361</u>	<u>-</u>	<u>-</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 5: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

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

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund		Responsible Investment Leaders Growth 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	1,010,569,552	875,508,893	739,768,204	603,146,199	329,658,099	289,161,460	126,497,844	113,165,232
Applications	448,161,582	146,491,868	38,384,546	103,274,539	15,297,629	5,068,584	1,039,146	2,610,450
Distributions to unitholders reinvested	48,228,935	100,866,944	89,089,477	73,503,042	9,826,128	59,721,111	6,795,587	17,612,553
Redemptions	(518,862,887)	(112,298,153)	(166,658,303)	(40,155,576)	(56,413,804)	(24,293,056)	(12,224,321)	(6,890,391)
Closing balance	<u>988,097,182</u>	<u>1,010,569,552</u>	<u>700,583,924</u>	<u>739,768,204</u>	<u>298,368,052</u>	<u>329,658,099</u>	<u>122,108,256</u>	<u>126,497,844</u>
Represented by:								
Wholesale Class								
Opening balance	766,617,190	646,296,657	45,639,461	27,866,692	2,443,998	2,443,998	200	-
Applications	439,655,706	134,463,899	196,476	27,057,423	-	-	-	200
Distributions to unitholders reinvested	36,017,740	73,440,815	346,196	1,563,697	28,335	-	-	-
Redemptions	(487,808,435)	(87,584,181)	(41,898,429)	(10,848,351)	-	-	-	-
Closing balance	<u>754,482,201</u>	<u>766,617,190</u>	<u>4,283,704</u>	<u>45,639,461</u>	<u>2,472,333</u>	<u>2,443,998</u>	<u>200</u>	<u>200</u>
On-Platform A Class								
Opening balance	13,705,663	5,941,637	77,504,747	69,603,806	-	-	-	-
Applications	5,510,279	9,457,293	16,200,232	17,169,480	200	-	-	-
Distributions to unitholders reinvested	54,071	123,992	492,284	435,017	-	-	-	-
Redemptions	(1,634,040)	(1,817,259)	(23,817,465)	(9,703,556)	-	-	-	-
Closing balance	<u>17,635,973</u>	<u>13,705,663</u>	<u>70,379,798</u>	<u>77,504,747</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retail Class								
Opening balance	7,793,209	7,653,288	3,062,054	3,132,494	1,215,013	1,042,470	879,067	1,113,257
Applications	242,648	167,089	238,669	220,860	87,856	71,526	129,299	141,728
Distributions to unitholders reinvested	248,466	728,206	277,974	301,904	9,194	188,223	23,659	119,371
Redemptions	(1,060,608)	(755,374)	(606,697)	(593,204)	(272,027)	(87,206)	(168,964)	(495,289)
Closing balance	<u>7,223,715</u>	<u>7,793,209</u>	<u>2,972,000</u>	<u>3,062,054</u>	<u>1,040,036</u>	<u>1,215,013</u>	<u>863,061</u>	<u>879,067</u>
No Fee Class								
Opening balance	219,335,891	212,355,904	613,217,734	502,222,478	325,727,537	285,460,639	-	-
Applications	2,192,396	2,131,142	21,693,354	58,746,631	15,162,922	4,853,766	-	-
Distributions to unitholders reinvested	11,794,183	26,314,059	87,937,235	71,165,771	9,785,168	59,490,431	-	-
Redemptions	(27,951,437)	(21,465,214)	(100,279,793)	(18,917,146)	(56,089,629)	(24,077,299)	-	-
Closing balance	<u>205,371,033</u>	<u>219,335,891</u>	<u>622,568,530</u>	<u>613,217,734</u>	<u>294,585,998</u>	<u>325,727,537</u>	<u>-</u>	<u>-</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 5: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share Fund		Responsible Investment Leaders Growth 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
	Units	Units	Units	Units	Units	Units	Units	Units
Units on issue (continued)								
Explicit Pricing Class								
Opening balance	3,127,599	3,271,407	344,208	320,729	271,551	214,353	770,807	600,275
Applications	560,553	272,445	55,815	80,145	46,651	143,292	255,232	488,604
Distributions to unitholders reinvested	114,475	259,872	35,788	36,653	3,431	42,457	17,679	83,913
Redemptions	(408,367)	(676,125)	(55,919)	(93,319)	(52,148)	(128,551)	(279,299)	(401,985)
Closing balance	<u>3,394,260</u>	<u>3,127,599</u>	<u>379,892</u>	<u>344,208</u>	<u>269,485</u>	<u>271,551</u>	<u>764,419</u>	<u>770,807</u>
No Fee 1 Class								
Opening balance	-	-	-	-	-	-	124,847,770	111,451,700
Applications	-	-	-	-	-	-	654,615	1,979,918
Distributions to unitholders reinvested	-	-	-	-	-	-	6,754,249	17,409,269
Redemptions	-	-	-	-	-	-	(11,776,058)	(5,993,117)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,480,576</u>	<u>124,847,770</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 5: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders High Growth Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue				
Opening balance	39,857,147	42,193,455	17,771,311	15,007,784
Applications	9,902,024	5,582,508	1,479,222	1,326,104
Distributions to unitholders reinvested	1,451,327	2,911,623	1,193,390	2,695,323
Redemptions	(3,937,771)	(10,830,439)	(1,922,402)	(1,257,900)
Closing balance	<u>47,272,727</u>	<u>39,857,147</u>	<u>18,521,521</u>	<u>17,771,311</u>
Represented by:				
Wholesale Class				
Opening balance	200	-	-	-
Applications	-	200	-	-
Distributions to unitholders reinvested	-	-	-	-
Redemptions	-	-	-	-
Closing balance	<u>200</u>	<u>200</u>	<u>-</u>	<u>-</u>
On-Platform A Class				
Opening balance	-	-	-	-
Applications	-	-	-	-
Distributions to unitholders reinvested	-	-	-	-
Redemptions	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Retail Class				
Opening balance	472,423	768,604	-	-
Applications	108,121	2,215,276	-	-
Distributions to unitholders reinvested	5,378	10,776	-	-
Redemptions	(179,057)	(2,522,233)	-	-
Closing balance	<u>406,865</u>	<u>472,423</u>	<u>-</u>	<u>-</u>
No Fee Class				
Opening balance	-	-	-	-
Applications	-	-	-	-
Distributions to unitholders reinvested	-	-	-	-
Redemptions	-	-	-	-
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 5: NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Continued)

	Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders High Growth Fund	
	31 December 2019 Units	31 December 2018 Units	31 December 2019 Units	31 December 2018 Units
Units on issue (continued)				
Explicit Pricing Class				
Opening balance	1,336,378	1,445,581	-	-
Applications	73,601	253,437	-	-
Distributions to unitholders reinvested	20,468	75,530	-	-
Redemptions	(431,304)	(438,170)	-	-
Closing balance	<u>999,143</u>	<u>1,336,378</u>	<u>-</u>	<u>-</u>
No Fee 1 Class				
Opening balance	38,048,146	39,979,270	17,771,311	15,007,784
Applications	9,720,302	3,113,595	1,479,222	1,326,104
Distributions to unitholders reinvested	1,425,481	2,825,317	1,193,390	2,695,323
Redemptions	(3,327,410)	(7,870,036)	(1,922,402)	(1,257,900)
Closing balance	<u>45,866,519</u>	<u>38,048,146</u>	<u>18,521,521</u>	<u>17,771,311</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 6: CASH AND CASH EQUIVALENTS

	Responsible Investment Leaders Balanced Fund		Responsible Investment Leaders International Share Fund		Responsible Investment Leaders Australian Share 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	172,203,148	(8,165,031)	134,070,553	(2,701,787)	95,933,234	(8,825,228)
Proceeds from sales of financial instruments measured at fair value through profit or loss	246,203,566	21,497,159	454,521,376	590,303,878	146,587,571	186,349,737
Payments for purchases of financial instruments measured at fair value through profit or loss	(181,874,931)	(56,335,912)	(346,297,386)	(640,176,334)	(106,622,091)	(169,264,363)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(104,936,938)	109,457,105	(118,319,355)	19,947,233	(75,792,742)	19,812,601
Investment income reinvested	(64,764,282)	(101,656,759)	(6,359,944)	(9,458,359)	-	(1,416,301)
Net foreign exchange (gain)/loss on cash and cash equivalents	(20,122)	272,697	113,323	(67,191)	-	-
Net change in broker deposits/(advances)	12,244,719	(4,972,661)	(70)	70	(51,245)	(20,196)
Changes in assets and liabilities:						
(Increase)/decrease in receivables	(3,928,435)	315,705	(19,878)	(256,760)	(2,314,449)	81,785
Increase/(decrease) in payables	71,286	28,767	(53,063)	(100,799)	20,293	(13,694)
Net cash inflow/(outflow) from operating activities	75,198,011	(39,558,930)	117,655,556	(42,510,049)	57,760,571	26,704,341
(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	52,638,463	108,636,664	70,408,173	60,817,045	11,900,401	74,055,476
Participation in reinvestment plans	64,764,282	101,656,759	6,359,944	9,458,359	-	1,416,301

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 6: CASH AND CASH EQUIVALENTS (Continued)

	Responsible Investment Leaders Growth Fund		Responsible Investment Leaders Conservative Fund		Responsible Investment Leaders 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	32,088,939	(2,607,234)	5,422,298	537,684	5,087,515	(311,460)
Proceeds from sales of financial instruments measured at fair value through profit or loss	21,482,750	4,379,544	1,783,663	4,617,751	2,429,859	2,789,115
Payments for purchases of financial instruments measured at fair value through profit or loss	(12,803,235)	(3,994,845)	(11,744,585)	(712,368)	(2,213,255)	(2,553,455)
Net changes in the fair value of financial instruments measured at fair value through profit or loss	(20,127,199)	23,292,365	(3,111,691)	2,185,968	(3,258,144)	3,716,686
Investment income reinvested	(11,367,197)	(20,240,835)	(1,837,068)	(2,731,859)	(1,817,929)	(3,414,364)
Net foreign exchange (gain)/loss on cash and cash equivalents	2,918	(2,005)	-	2,211	257	(619)
Net change in broker deposits/(advances)	2,124,369	(1,459,069)	136,249	(38,706)	61,516	(60,409)
Changes in assets and liabilities:						
(Increase)/decrease in receivables	(232,715)	16,848	(394,792)	116,858	(4,762)	17,041
Increase/(decrease) in payables	(5,319)	6,071	(1,406)	4,445	-	-
Net cash inflow/(outflow) from operating activities	11,163,311	(609,160)	(9,747,332)	3,981,984	285,057	182,535
(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	8,567,625	21,926,334	1,595,380	3,131,758	1,502,684	3,401,878
Participation in reinvestment plans	11,367,197	20,240,835	1,837,068	2,731,859	1,817,929	3,414,364

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 7: 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
	\$	\$	%	%	\$	\$
Responsible Investment Leaders Balanced Fund						
AMP Capital Managed Cash Fund	63,139,029	67,961,417	1.32	1.17	620,960	1,579,898
Responsible Investment Leaders Australian Share Fund	280,134,362	256,185,901	69.04	70.21	7,629,936	51,726,314
Responsible Investment Leaders Diversified Fixed Income Trust	246,168,781	119,683,851	86.46	82.16	6,885,004	3,129,007
Responsible Investment Leaders International Share Fund	342,912,185	319,777,657	57.72	55.78	46,815,345	38,353,445
Responsible Investment Leaders Emerging Markets Share Fund	31,079,459	19,380,650	34.86	25.11	2,133,658	2,769,466
Managed Treasury Fund	46,959	53,502,744	0.00	1.86	641,217	1,181,423
Future Directions Australian Bond Fund	9,486,475	59,105,535	0.37	2.25	1,410,404	1,760,234
AMP Capital Shell Fund 3	42,832,849	36,342,033	6.21	5.28	3,698,320	2,389,648
Other related parties	30,692,249	26,970,538	N/A	N/A	1,937,207	2,051,271
Responsible Investment Leaders International Share Fund						
AMP Capital Managed Cash Fund	1,957,711	1,753,388	0.04	0.03	29,610	115,688
Responsible Investment Leaders Emerging Markets Share Fund	55,814,069	57,802,675	62.60	74.89	6,097,613	9,546,935
Responsible Investment Leaders Australian Share Fund						
AMP Capital Managed Cash Fund	1,933,159	3,513,697	0.04	0.06	100,451	131,841
Other related parties	-	-	-	-	-	26,604
Responsible Investment Leaders Growth Fund						
AMP Capital Managed Cash Fund	2,547,103	5,733,241	0.05	0.10	59,346	212,842
Responsible Investment Leaders Australian Share Fund	57,520,356	55,540,234	14.18	14.99	1,571,487	10,893,154
Responsible Investment Leaders International Share Fund	68,509,801	61,951,621	11.53	10.95	8,792,472	8,551,199
Responsible Investment Leaders Diversified Fixed Income Trust	16,265,988	9,862,702	5.71	6.77	456,039	225,239
AMP Capital Shell Fund 3	12,239,325	8,369,624	1.77	1.21	820,152	550,340
Other related parties	5,597,918	3,997,356	N/A	N/A	290,493	304,022
Responsible Investment Leaders Conservative Fund						
AMP Capital Managed Cash Fund	4,667,438	7,706,804	0.10	0.13	95,022	170,695
Responsible Investment Leaders Diversified Fixed Income Trust	17,681,566	12,376,480	6.21	8.50	498,806	363,146
Responsible Investment Leaders Australian Share Fund	6,431,102	4,830,525	1.59	1.32	158,315	1,000,789
Responsible Investment Leaders International Share Fund	8,808,250	6,794,007	1.48	1.19	1,013,478	897,736
Managed Treasury Fund	8,248,052	4,938,534	0.31	0.17	144,619	109,050
Future Directions Australian Bond Fund	3,670,037	3,416,756	0.14	0.13	203,855	121,561
AMP Capital Shell Fund 3	3,624,022	1,844,062	0.53	0.27	244,903	121,255
Responsible Investment Leaders Emerging Markets Share Fund	261,223	-	0.29	-	1,884	-

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 7: 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
Responsible Investment Leaders High Growth Fund						
AMP Capital Managed Cash Fund	381,412	626,852	0.01	0.01	9,791	6,893
Responsible Investment Leaders Australian Share Fund	11,907,806	10,558,229	2.93	2.89	307,328	2,272,678
Responsible Investment Leaders International Share Fund	12,343,825	9,231,239	2.08	1.61	1,502,185	1,124,644
Responsible Investment Leaders Emerging Markets Share Fund	369,786	-	0.41	-	13,132	-

(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 \$
Responsible Investment Leaders Balanced Fund					
31 December 2019					
AMP Life Limited	205,371,033	20.83	13,986,579	(27,951,437)	12,890,550
31 December 2018					
AMP Life Limited	219,335,891	21.75	28,445,201	(21,465,214)	27,728,283
Responsible Investment Leaders International Share Fund					
31 December 2019					
Responsible Investment Leaders Balanced Fund	402,926,996	57.72	67,468,524	(75,102,406)	46,815,345
Responsible Investment Leaders Growth Fund	80,500,051	11.53	11,026,739	(11,132,206)	8,792,472
AMP Capital Responsible Investment Leaders Global Shares Fund	87,374,928	12.52	20,429,342	(6,350,748)	8,995,468
Other related parties	51,766,555	7.42	10,705,983	(7,694,433)	5,563,269
31 December 2018					
Responsible Investment Leaders Balanced Fund	410,560,878	55.78	85,251,493	-	38,353,445
Responsible Investment Leaders Growth Fund	80,605,518	10.95	13,440,534	(4,745,302)	8,551,199
AMP Capital Responsible Investment Leaders Global Shares Fund	73,296,334	9.96	21,700,769	(8,756,833)	7,133,461
Other related parties	48,755,005	6.63	9,519,608	(5,415,012)	5,194,877

Responsible Investment Leaders Balanced Fund is the parent entity of this Scheme.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 7: 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 \$
Responsible Investment Leaders Australian Share Fund					
31 December 2019					
Responsible Investment Leaders Balanced Fund	205,598,728	69.04	16,108,519	(41,554,301)	7,629,936
AMP Life Limited	28,353,936	9.52	1,289,208	(4,399,001)	1,013,149
Responsible Investment Leaders Growth Fund	42,215,856	14.18	1,455,646	(8,580,544)	1,571,487
Other related parties	18,417,678	6.18	6,094,917	(1,555,783)	633,369
31 December 2018					
Responsible Investment Leaders Balanced Fund	231,044,510	70.21	45,703,002	(16,038,605)	51,726,314
AMP Life Limited	31,463,729	9.56	6,321,899	(4,592,494)	7,275,560
Responsible Investment Leaders Growth Fund	49,340,754	14.99	8,830,744	(1,056,477)	10,893,154
Other related parties	13,878,544	4.22	3,488,551	(2,389,721)	3,273,467
Responsible Investment Leaders Balanced Fund is the parent entity of this Scheme.					
Responsible Investment Leaders Growth Fund					
31 December 2019					
AMP Life Limited	120,480,776	98.69	7,408,864	(11,776,058)	8,548,146
31 December 2018					
AMP Life Limited	124,847,970	98.72	19,389,388	(5,993,117)	21,200,374
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Responsible Investment Leaders Conservative Fund					
31 December 2019					
AMP Life Limited	45,866,719	97.13	11,145,783	(3,327,410)	1,834,498
31 December 2018					
AMP Life Limited	38,048,346	95.61	5,939,112	(7,870,036)	2,971,810
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					
Responsible Investment Leaders High Growth Fund					
31 December 2019					
AMP Life Limited	18,521,521	100.00	2,672,612	(1,922,402)	1,495,823
31 December 2018					
AMP Life Limited	17,771,311	100.00	4,021,427	(1,257,900)	3,381,070
AMP Life Limited is the parent entity of this Scheme. AMP Limited is the ultimate parent entity.					

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 7: RELATED PARTY DISCLOSURES (Continued)

(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		
Responsible Investment Leaders Balanced Fund	6,724,278	6,293,910
Responsible Investment Leaders International Share Fund	886,692	1,064,962
Responsible Investment Leaders Growth Fund	3,455	35,096
Responsible Investment Leaders Conservative Fund	31,735	46,099
Responsible entity fee rebates received during the financial year		
Responsible Investment Leaders Australian Share Fund	327,958	380,154

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.

During the financial year the following 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
	\$	\$
Security lending fees expensed during the financial year		
Responsible Investment Leaders International Share Fund	2,041	517
Responsible Investment Leaders Australian Share Fund	1,847	1,108

(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 7(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.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: 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.

(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. 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.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (continued)

Listed securities on loan

Certain listed securities are on loan as part of 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 listed securities on loan are fully collateralised and are held by the Schemes' custodian, BNP Paribas Fund Services Australasia. Listed 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 \$
Responsible Investment Leaders Balanced Fund					
31 December 2019					
Inflows	-	185,262,570	-	-	185,262,570
(Outflows)	-	(179,456,903)	-	-	(179,456,903)
31 December 2018					
Inflows	1,152	148,348,597	-	-	148,349,749
(Outflows)	-	(155,106,044)	-	-	(155,106,044)
Responsible Investment Leaders International Share Fund					
31 December 2019					
Inflows	274,640	-	-	-	274,640
(Outflows)	(275,472)	-	-	-	(275,472)

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: 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 \$
Responsible Investment Leaders International Share Fund (continued)					
31 December 2018					
Inflows	2,654,464	-	-	-	2,654,464
(Outflows)	(2,662,462)	-	-	-	(2,662,462)
Responsible Investment Leaders Australian Share Fund					
31 December 2019					
Inflows	-	-	-	-	-
(Outflows)	-	(67,158)	-	-	(67,158)
31 December 2018					
Inflows	-	8,293	-	-	8,293
(Outflows)	-	-	-	-	-
Responsible Investment Leaders Growth Fund					
31 December 2019					
Inflows	-	33,616,238	-	-	33,616,238
(Outflows)	-	(32,581,290)	-	-	(32,581,290)
31 December 2018					
Inflows	-	28,469,456	-	-	28,469,456
(Outflows)	-	(29,819,395)	-	-	(29,819,395)
Responsible Investment Leaders Conservative Fund					
31 December 2019					
Inflows	-	7,589,013	-	-	7,589,013
(Outflows)	-	(7,366,458)	-	-	(7,366,458)
31 December 2018					
Inflows	-	4,374,446	-	-	4,374,446
(Outflows)	-	(4,534,599)	-	-	(4,534,599)
Responsible Investment Leaders High Growth Fund					
31 December 2019					
Inflows	-	5,250	-	-	5,250
(Outflows)	-	-	-	-	-
31 December 2018					
Inflows	-	-	-	-	-
(Outflows)	-	(22,270)	-	-	(22,270)

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 8: 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 interest rate sensitivity for cash and cash equivalents is not significant to the Schemes.

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% \$
Responsible Investment Leaders Balanced Fund		
31 December 2019	(32,653)	32,653
31 December 2018	(4,145)	4,145
Responsible Investment Leaders International Share Fund		
31 December 2019	(580,510)	580,510
31 December 2018	(169,002)	169,002
Responsible Investment Leaders Growth Fund		
31 December 2019	(1,660)	1,660
31 December 2018	(1,594)	1,594
Responsible Investment Leaders Conservative Fund		
31 December 2019	(171)	171
31 December 2018	(99)	99

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.

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Market risk (continued)

Price risk (continued)

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%
	\$	\$
Responsible Investment Leaders Balanced Fund		
31 December 2019	(105,667,817)	105,667,817
31 December 2018	(96,321,554)	96,321,554
Responsible Investment Leaders International Share Fund		
31 December 2019	(58,345,487)	58,345,487
31 December 2018	(56,624,400)	56,624,400
Responsible Investment Leaders Australian Share Fund		
31 December 2019	(39,622,695)	39,622,695
31 December 2018	(36,010,374)	36,010,374
Responsible Investment Leaders Growth Fund		
31 December 2019	(16,013,339)	16,013,339
31 December 2018	(13,952,775)	13,952,775
Responsible Investment Leaders Conservative Fund		
31 December 2019	(4,872,425)	4,872,425
31 December 2018	(3,419,347)	3,419,347
Responsible Investment Leaders High Growth Fund		
31 December 2019	(2,462,667)	2,462,667
31 December 2018	(1,976,720)	1,976,720

(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.

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.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

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 \$
Responsible Investment Leaders Balanced Fund				
31 December 2019				
Derivative financial assets	-	5,869,882	-	5,869,882
Derivative financial liabilities	-	(3,144)	-	(3,144)
Unlisted managed investment funds	-	952,661,069	104,017,097	1,056,678,166
Total	<u>-</u>	<u>958,527,807</u>	<u>104,017,097</u>	<u>1,062,544,904</u>
31 December 2018				
Derivative financial assets	799,678	103	-	799,781
Derivative financial liabilities	(1,545,799)	(6,043,323)	-	(7,589,122)
Unlisted managed investment funds	-	863,978,370	99,983,290	963,961,660
Total	<u>(746,121)</u>	<u>857,935,150</u>	<u>99,983,290</u>	<u>957,172,319</u>

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	99,983,290	4,346,313	-	-	(312,506)	104,017,097	(312,506)
Total	<u>99,983,290</u>	<u>4,346,313</u>	<u>-</u>	<u>-</u>	<u>(312,506)</u>	<u>104,017,097</u>	<u>(312,506)</u>
31 December 2018							
Unlisted managed investment funds	95,519,931	-	-	-	4,463,359	99,983,290	4,463,359
Total	<u>95,519,931</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,463,359</u>	<u>99,983,290</u>	<u>4,463,359</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Responsible Investment Leaders International Share Fund				
31 December 2019				
Listed securities	519,317,835	-	-	519,317,835
Listed securities on loan	8,322,966	-	-	8,322,966
Derivative financial liabilities	-	(832)	-	(832)
Unlisted managed investment funds	-	55,814,069	-	55,814,069
Total	527,640,801	55,813,237	-	583,454,038
31 December 2018				
Listed securities	508,236,076	-	-	508,236,076
Listed securities on loan	205,251	-	-	205,251
Derivative financial assets	-	8,163	-	8,163
Derivative financial liabilities	-	(16,444)	-	(16,444)
Unlisted managed investment funds	-	57,802,675	-	57,802,675
Total	508,441,327	57,794,394	-	566,235,721
Responsible Investment Leaders Australian Share Fund				
31 December 2019				
Listed securities	266,235,788	-	-	266,235,788
Listed securities on loan	767,761	-	-	767,761
Derivative financial liabilities	(67,158)	-	-	(67,158)
Unlisted managed investment funds	-	129,290,561	-	129,290,561
Total	266,936,391	129,290,561	-	396,226,952
31 December 2018				
Listed securities	225,359,618	-	-	225,359,618
Listed securities on loan	6,184,969	-	-	6,184,969
Derivative financial assets	8,293	-	-	8,293
Unlisted managed investment funds	-	128,550,857	-	128,550,857
Total	231,552,880	128,550,857	-	360,103,737
Responsible Investment Leaders Growth Fund				
31 December 2019				
Derivative financial assets	-	1,061,112	-	1,061,112
Derivative financial liabilities	(14,704)	(555)	-	(15,259)
Unlisted managed investment funds	-	156,167,355	3,966,033	160,133,388
Total	(14,704)	157,227,912	3,966,033	161,179,241
31 December 2018				
Derivative financial assets	5,246	656	-	5,902
Derivative financial liabilities	(197,337)	(1,165,742)	-	(1,363,079)
Unlisted managed investment funds	-	135,724,179	3,997,358	139,721,537
Total	(192,091)	134,559,093	3,997,358	138,364,360

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

Responsible Investment Leaders 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	3,997,358	-	-	-	(31,325)	3,966,033	(31,325)
Total	<u>3,997,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,325)</u>	<u>3,966,033</u>	<u>(31,325)</u>
31 December 2018							
Unlisted managed investment funds	4,004,372	-	-	-	(7,014)	3,997,358	(7,014)
Total	<u>4,004,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,014)</u>	<u>3,997,358</u>	<u>(7,014)</u>
				Level 1	Level 2	Level 3	Total
				\$	\$	\$	\$
Responsible Investment Leaders Conservative Fund							
31 December 2019							
Derivative financial assets				-	239,927	-	239,927
Derivative financial liabilities				(14,704)	(118)	-	(14,822)
Unlisted managed investment funds				-	48,724,252	-	48,724,252
Total				<u>(14,704)</u>	<u>48,964,061</u>	<u>-</u>	<u>48,949,357</u>
31 December 2018							
Derivative financial assets				39,343	-	-	39,343
Derivative financial liabilities				(24,637)	(175,394)	-	(200,031)
Unlisted managed investment funds				-	34,200,364	-	34,200,364
Total				<u>14,706</u>	<u>34,024,970</u>	<u>-</u>	<u>34,039,676</u>
Responsible Investment Leaders High Growth Fund							
31 December 2019							
Derivative financial assets				5,250	-	-	5,250
Unlisted managed investment funds				-	24,621,417	-	24,621,417
Total				<u>5,250</u>	<u>24,621,417</u>	<u>-</u>	<u>24,626,667</u>

RESPONSIBLE INVESTMENT LEADERS FUNDS

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

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Fair value measurement (continued)

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Responsible Investment Leaders High Growth Fund (continued)				
31 December 2018				
Derivative financial liabilities	(22,270)	-	-	(22,270)
Unlisted managed investment funds	-	19,789,468	-	19,789,468
Total	<u>(22,270)</u>	<u>19,789,468</u>	<u>-</u>	<u>19,767,198</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.

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
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.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 8: FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(e) Master netting or similar agreements (continued)

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						
Responsible Investment Leaders Balanced Fund	5,869,882	(3,144)	5,866,738	3,144	(3,144)	-
Responsible Investment Leaders Growth Fund	1,061,112	(555)	1,060,557	15,259	(555)	14,704
Responsible Investment Leaders Conservative Fund	239,927	(118)	239,809	14,822	(118)	14,704
31 December 2018						
Responsible Investment Leaders Balanced Fund	799,781	(103)	799,678	7,589,122	(103)	7,589,019
Responsible Investment Leaders Growth Fund	5,902	(656)	5,246	1,363,079	(656)	1,362,423
Responsible Investment Leaders Conservative Fund	39,343	-	39,343	200,031	-	200,031

NOTE 9: UNCONSOLIDATED SUBSIDIARIES

Scheme	Subsidiary name	Principal place of business	Ownership interest	
			31 December 2019 %	31 December 2018 %
Responsible Investment Leaders Balanced Fund	Responsible Investment Leaders Australian Share Fund	Australia	69.04	70.21
	Responsible Investment Leaders Diversified Fixed Income Trust	Australia	86.46	82.16
	Responsible Investment Leaders International Share Fund	Australia	57.72	55.78
Responsible Investment Leaders International Share Fund	Responsible Investment Leaders Emerging Markets Share Fund	Australia	62.60	74.89

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 10.

RESPONSIBLE INVESTMENT LEADERS FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

NOTE 10: COMMITMENTS AND CONTINGENCIES

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

NOTE 11: 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 12: 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.

RESPONSIBLE INVESTMENT LEADERS 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:

Responsible Investment Leaders Balanced Fund
Responsible Investment Leaders International Share Fund
Responsible Investment Leaders Australian Share Fund
Responsible Investment Leaders Growth Fund
Responsible Investment Leaders Conservative Fund
Responsible Investment Leaders High Growth 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



**Building a better
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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the unitholders of Responsible Investment Leaders Funds

Opinion

For the following Responsible Investment Leaders Funds (the "Schemes"):

- ▶ Responsible Investment Leaders Australian Share Fund
- ▶ Responsible Investment Leaders Balanced Fund
- ▶ Responsible Investment Leaders Conservative Fund
- ▶ Responsible Investment Leaders Growth Fund
- ▶ Responsible Investment Leaders High Growth Fund
- ▶ Responsible Investment Leaders International Share 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.

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.



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Auditor's Responsibilities for the Audit of the Financial Report (cont.)

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.

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.



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Mark Jones
Partner
Sydney
12 March 2020