

**AMG SUPER**

ABN 30 099 320 583

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2020**

**AMG SUPER**  
**CONTENTS**

	<b>Page(s)</b>
<b>Statement of Financial Position</b>	<b>1</b>
<b>Income Statement</b>	<b>2</b>
<b>Statement of Changes in Member Benefits</b>	<b>3</b>
<b>Statement of Changes in Equity</b>	<b>4</b>
<b>Statement of Cash Flows</b>	<b>5</b>
<b>Notes to the Financial Statements</b>	<b>6 – 31</b>
<b>Trustee’s Declaration to the Members</b>	<b>32</b>
<b>Auditor’s Report to the Trustee</b>	<b>33</b>

**AMG SUPER**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2020**

	Note	2020 \$'000	2019 \$'000
<b>Cash and cash equivalents</b>			
Cash and cash equivalents	10(a)	122,257	121,883
<b>Total cash and cash equivalents</b>		<b>122,257</b>	<b>121,883</b>
<b>Receivables</b>			
Distribution and dividend receivable		8,344	12,607
Due (to)/from brokers		1,346	3,286
Other receivables		834	1,031
<b>Total receivables</b>		<b>10,524</b>	<b>16,924</b>
<b>Investments held at fair value</b>	15	<b>1,087,310</b>	1,092,542
<b>Other assets</b>			
Income tax receivable	9	-	662
Deferred tax assets	9	12,073	4,788
<b>Total other assets</b>		<b>12,073</b>	<b>5,450</b>
<b>Total assets</b>		<b>1,232,164</b>	<b>1,236,799</b>
<b>Liabilities</b>			
Accounts payables		2,744	3,323
Current tax liabilities	9	4,680	-
Deferred tax liabilities	9	8,946	12,082
<b>Total liabilities (excluding member benefits)</b>		<b>16,370</b>	<b>15,405</b>
<b>Net assets available for member benefits</b>		<b>1,215,794</b>	<b>1,221,394</b>
<b>Member benefits</b>			
Defined contribution member liabilities	6(a)	1,202,936	1,207,910
<b>Total member liabilities</b>		<b>1,202,936</b>	<b>1,207,910</b>
<b>Total net assets</b>		<b>12,858</b>	<b>13,484</b>
<b>Equity</b>			
Operational risk financial reserve	7	3,030	3,217
Expense recovery reserve	7	455	601
Unallocated to members	7	9,373	9,666
<b>Total equity</b>		<b>12,858</b>	<b>13,484</b>

The Statement of Financial Position is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 31.

**AMG SUPER  
INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$'000	2019 \$'000
<b>Superannuation Activities</b>			
<b>Revenue</b>			
Changes in fair value of investments	5	(93,459)	35,193
Distributions and dividends		46,315	46,809
Interest		440	1,040
Other operating income		84	55
<b>Total revenue</b>		<b>(46,620)</b>	<b>83,097</b>
<b>Expenses</b>			
Investment expenses		(339)	(275)
General administration and operating expenses	4	(14,693)	(13,046)
<b>Total expenses</b>		<b>(15,032)</b>	<b>(13,321)</b>
<b>Operating Results</b>		<b>(61,652)</b>	<b>69,776</b>
Net benefits allocated to defined contribution member accounts		47,258	(71,301)
<b>Operating Result before income tax</b>		<b>(14,394)</b>	<b>(1,525)</b>
Income tax benefit	8	14,373	1,877
<b>Operating result after income tax</b>		<b>(21)</b>	<b>352</b>

The Income Statement is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 31.

**AMG SUPER**  
**STATEMENT OF CHANGES IN MEMBER BENEFITS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$'000	2019 \$'000
<b>Opening balance of Member Benefits</b>		<b>1,207,910</b>	808,894
Contributions:			
- Employer contributions		49,904	41,724
- Member contributions		25,564	21,289
- Government contributions		429	413
Transfers from other superannuation entities		126,184	105,856
Successor fund transfer		-	271,183
Income tax on contributions	8(c)	<u>(8,318)</u>	<u>(6,810)</u>
<b>Net after tax contributions</b>		<b><u>193,763</u></b>	<b>433,655</b>
Benefits to members		(58,619)	(33,781)
Transfers to other superannuation entities		(93,122)	(73,065)
Insurance premiums charged to members' accounts		(5,234)	(6,980)
Death and disability benefits credited to members' accounts		4,891	3,902
Reserve transferred to/(from) members:			
- Operational risk financial reserve		91	-
- Unallocated to members		514	3,984
Net benefits allocated, comprising:			
- Net investment income/(loss)		(39,991)	78,281
- Net administration fees		<u>(7,267)</u>	<u>(6,980)</u>
<b>Closing balance of Member Benefits</b>	6	<b><u>1,202,936</u></b>	<b>1,207,910</b>

The Statement of Changes in Members Benefits is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 31.

**AMG SUPER**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Operational risk financial reserve \$'000	Expense recovery reserve \$'000	Unallocated to members \$'000	Total equity \$'000
<b>Opening balance as at 1 July 2019</b>	<b>3,217</b>	<b>601</b>	<b>9,666</b>	<b>13,484</b>
Net Transfers to/(from) reserves	-	(148)	148	-
Transfer (to)/from member accounts	(91)	-	(514)	(605)
Operating result	(96)	2	73	(21)
<b>Closing balance as at 30 June 2020</b>	<b>3,030</b>	<b>455</b>	<b>9,373</b>	<b>12,858</b>

	Operational risk financial reserve \$'000	Expense recovery reserve \$'000	Unallocated to members \$'000	Total equity \$'000
Opening balance as at 1 July 2018	2,130	476	9,144	11,750
Net Transfers to/(from) reserves	185	121	(306)	-
Transfer (to)/from member accounts	-	-	(3,984)	(3,984)
SFT Transfer in	690	1	4,675	5,366
Operating result	212	3	137	352
Closing balance as at 30 June 2019	3,217	601	9,666	13,484

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 31.

**AMG SUPER**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
Interest received		481	1,012
Distributions and dividend received		28,194	28,546
Death and disability proceeds received from insurer		4,892	3,902
Other income received		81	54
General administration and operating expenses paid		(15,052)	(13,475)
Investment expenses paid		(221)	(88)
Insurance premiums paid		(5,532)	(6,915)
Income tax refunded		7,129	3,379
<b>Net cash inflows from operating activities</b>	10(b)	<b>19,972</b>	<b>16,415</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of investments		722,883	397,097
Payments for purchase of investments		(785,042)	(454,331)
<b>Net cash outflows from investing activities</b>	10(b)	<b>(62,159)</b>	<b>(57,234)</b>
<b>Cash flows from financing activities</b>			
Employer contributions		49,899	41,723
Member contributions		22,599	19,098
Government co-contributions		429	413
Successor fund transfer		-	35,346
Benefits paid to members		(58,159)	(33,797)
Net transfers (to)/from other funds		34,548	37,910
Income tax paid on contributions		(6,810)	(4,026)
Unallocated deposits		55	(64)
<b>Net cash inflows from financing activities</b>		<b>42,561</b>	<b>96,603</b>
<b>Net increase in cash held</b>		<b>374</b>	<b>55,784</b>
Cash at the beginning of the year		121,883	66,099
<b>Cash at the end of the year</b>	10(a)	<b>122,257</b>	<b>121,883</b>

The Statement of Cash Flows is to be read in conjunction with the accompanying notes to the financial statements set out on pages 6 to 31.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**1. GENERAL INFORMATION**

AMG Super (the 'Fund') is a defined contribution superannuation fund domiciled in Australia. The purpose of the Fund is to provide retirement benefits to its members. The Fund is constituted by a Trust Deed dated 12 May 2000 as amended.

In accordance with amendments to the Superannuation Industry (Supervision) Act 1993, the Fund is registered with the Australian Prudential Regulation Authority ("APRA") as a Registrable Superannuation Entity ("RSE") (R1001006).

The Trustee of the Fund during the reporting period was Equity Trustees Superannuation Limited (the "Trustee") (ABN 50 055 641 757, AFSL 229757, RSE L0001458), domiciled in Australia and registered with APRA. The address of the Fund's registered office is Level 1, 575 Bourke Street, Melbourne, Victoria 3000.

The Administrator and Promotor of the Fund is Acclaim Management Group Pty Ltd (ABN 52 091 082 058).

The Asset Consultant to the Fund is TAG Asset Consulting Group Pty Ltd trading as Atchison Consultants (ABN 58 097 703 047).

**2. BASIS OF PREPARATION**

**(a) Statement of Compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Interpretations, the Superannuation Industry (Supervision) Act 1993 and provisions of the Trust Deed.

The financial statements were authorised and issued by the board and directors of Equity Trustees Superannuation Limited on 24 September 2020. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

**(b) Use of Estimates and Judgements**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.



**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**2. BASIS OF PREPARATION (CONTINUED)**

**(b) Use of Estimates and Judgements (continued)**

The Fund makes estimates and assumptions that affect the reported amounts of assets and liabilities.

Estimates are evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or other unquoted financial instruments, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models or market prices) are used to determine fair values, they are validated and periodically reviewed by experienced personnel. Refer to note 15 and note 19 for details.

Particular consideration has been given in the preparation of these financial statements, to areas that may be impacted by COVID-19. Refer to note 19.

**(c) New Standards and Interpretations adopted during the year**

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amount recognised in the prior or current periods or that will affect future periods.

**(d) Accounting Standards and Interpretations issued, but not yet effective**

At the date of authorisation of the financial report, the following Standards and Interpretations which are expected to be relevant to the Fund were in issue but not yet effective. The Trustee anticipates the adoption of these Standards will have no material financial impact on the financial report of the Fund.

New or revised requirement	Title	Effective Date (annual periods beginning on or after)	30 June 2020 YE Applicability
<b>AASB 17</b>	<i>Insurance Contracts</i>	1 January 2021	Optional
<b>AASB 2018-7</b>	<i>Amendments to Australian Accounting Standards – Definition of Material</i>	1 January 2020	Optional
<b>AASB 2019-1</b>	<i>Amendments to Australian Accounting Standards – References to the Conceptual Framework</i>	1 January 2020	Optional

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented in these financial statements for the year ended 30 June 2019.

**(a) Cash and cash equivalents**

Cash comprises cash on hand and on demand deposits.

Cash equivalents are short term, highly liquid investments with maturities of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**(b) Financial Instruments**

*(i) Classification*

The Fund's investments are classified at fair value through profit or loss. They comprise:

- Financial instruments held for trading  
Derivative financial instruments such as futures, forward contracts, options and interest rate swaps are included under this classification, however, the Fund presently is not directly exposed to or involved in the use of derivative financial instruments. However, some of the underlying investments may utilise derivative financial instruments to hedge or partially hedge specific exposures. The Fund does not enter into, hold or issue derivative financial instruments for trading purposes.
- Financial instruments designated at fair value through profit or loss upon initial recognition  
These include financial assets that are not held for trading purposes and which may be sold. These are investments in market quoted investments, unlisted unit trusts and commercial paper.

These investments are managed and their performance is evaluated on a fair value basis in accordance with the Fund's investment strategy.

*(ii) Recognition/de-recognition*

Financial assets and financial liabilities are recognised on the date the Fund becomes a party to the contract relating to the asset. Financial assets are recognised using the quoted price at the trade date. From this date, any gains and losses arising from changes in fair value are recorded.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all of the risks and rewards of ownership.

*(iii) Measurement*

At initial recognition, the Fund measures a financial asset or liability at fair value. Transaction costs are expensed in the income statement.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(b) Financial Instruments (continued)**

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses are presented in the income statement in the period in which they arise as net changes in fair value of financial instruments.

The fair values of underlying investments are net of any distributions.

For further details on how the fair values of financial instruments are determined refer to note 15.

*(iv) Offsetting financial instruments*

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

**(c) Accounts Payable**

Accounts payable are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services and are recognised at their nominal value which is equivalent to fair value. These amounts are unsecured and are usually paid within 60 days of recognition.

**(d) Benefits Paid/Payable**

Benefits paid/payable are valued at the amounts due to members at reporting date. Benefits paid/payable comprise pensions accrued at balance date and lump sum benefits of members who are due a benefit, but had not been paid at the reporting date.

**(e) Revenue Recognition**

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised to the extent in which it is probable that economic benefits will flow to the Fund and the amount of revenue can be reliably measured.

The following recognition criteria relates to the different items of revenue the Fund receives:

(i) Interest revenue

Interest income is recognised in the Income Statement as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity calculated on an effective interest rate basis.

(ii) Dividend income

Dividends recognised on the date the shares are quoted ex-dividend and if not received at reporting date, are reflected in the Statement of Financial Position as a receivable at fair value.

Dividend income is recognised gross of withholding tax in the period in which the Fund's right to receive payment is established.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(e) Revenue Recognition (continued)**

(iii) Distributions from investments

Distributions are recognised as at the date the unit value is quoted ex-distribution and if not received at reporting date, are reflected in the Statement of Financial Position as a receivable at fair value.

(iv) Movement in fair value of investments

Changes in the fair value of investments are recognised as income/(losses) and are determined as the difference between the fair value at year end or consideration received (if sold during the year) and the fair value as at the prior year end or cost (if the investment was acquired during the period).

(v) Rebate Revenue

Rebate revenue is recognised when the Fund has established it has a right to receive the rebate.

**(f) Contributions and transfers from other funds**

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

**(g) Income Tax**

Income tax as a result of operations for the year comprises current and deferred tax. Income tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in members' funds, in which case it is recognised directly in the Statement of Changes in Member Benefits.

*Current tax*

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

*Deferred tax*

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Income Tax (continued)**

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities can be offset when they relate to income taxes levied by the same taxation authority and the Fund intends to settle its current tax assets and liabilities on a net basis.

Income tax has been provided in the current year at the rate of 15%, as it is the expectation of the Trustee that the Fund will be treated as a complying superannuation fund. If the Fund is subsequently deemed to be a non-complying fund for the current year, then income tax will be payable at a rate of 45% on the Fund's taxable income.

In line with the expectation to be treated as a compliant superannuation fund, financial assets held for less than 12 months are provided to be taxed at the Fund's rate of 15%. For financial assets held for more than 12 months, the Fund is entitled to a further discount on the tax rate leading to an effective tax rate of 10% on any gains/(losses) arising from the disposal of investments.

**(h) Goods and Services Tax**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) recoverable from the Australian Taxation Office (ATO) as a reduced input tax credit (RITC), except

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

- For receivables and payables which are recognised inclusive of GST.

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

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to the ATO, are classified as operating cash flows.

**(i) Receivables**

Receivables are carried at nominal amounts which approximate fair value. Nominal amounts refer to the actual amounts reasonably expected to be received or paid.

Collectability of receivables is reviewed regularly. Debts which are known to be uncollectable are written off by reducing the carrying amount.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(j) Amounts due from/to brokers**

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. Trades are recorded on the trade date. The amount disclosed on the financial statements is the net amount due from/to brokers.

**(k) Functional and Presentation Currency**

The financial statements are presented in Australian dollars which is the functional currency of the Fund and have been rounded to the nearest thousand unless otherwise stated.

All foreign currency transactions during the year are brought to account using the exchange rate in effect at the date of the transaction. Foreign currency monetary items at reporting date are translated at the exchange rate existing at reporting date. Exchange differences are recognised in the income statement in the period in which they arise.

**(l) Comparative Amounts**

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, some line items in the notes to the financial statements have been amended. Comparative figures have been adjusted to conform to the current year's presentation.

**4. GENERAL ADMINISTRATION AND OPERATING EXPENSES**

	<b>Note</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Administration fees		7,843	6,647
Adviser fees		5,161	4,903
Trustee fees		1,138	989
APRA levies		83	75
Audit fees		128	114
Tax agent/consultant fees		9	21
Other operating expenses <sup>(1)</sup>		331	297
	15	14,693	13,046

<sup>(1)</sup> Includes other expenses incurred by and reimbursed to the trustee, refer to note 13(e) for details.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**5. CHANGES IN FAIR VALUE OF INVESTMENTS**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments held at reporting date:</b>		
Shares and other securities in listed companies	(35,842)	3,228
Listed unit trusts	(17,405)	7,973
Unlisted unit trusts	(51,919)	16,175
Pooled Superannuation Trusts	(12)	15
Other interest bearing financial instruments	(1,297)	766
	<u>(106,475)</u>	<u>28,157</u>
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Investments realised during the reporting period:</b>		
Shares and other securities in listed companies	(927)	(205)
Listed unit trusts	2,040	1,420
Unlisted unit trusts	11,867	5,784
Pooled Superannuation Trusts	1	2
Other interest bearing financial instruments	35	35
	<u>13,016</u>	<u>7,035</u>
<b>Total changes in fair value</b>	<u>(93,459)</u>	<u>35,193</u>

**6. MEMBER LIABILITIES**

**(a) Recognition and measurement of member liabilities**

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

Defined contribution member account balances are measured using unit prices based on the underlying investment option values selected by members.

**(b) Defined Contribution Member Liabilities**

Defined contribution member liabilities are measured as the amount of member account balances as at the reporting date.

Defined contribution members bear the investment risk relating to the underlying assets of the Fund. The Fund's management of the investment market risks is as disclosed within note 14.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**6. MEMBER LIABILITIES (CONTINUED)**

**(b) Defined Contribution Member Liabilities (continued)**

As at 30 June 2020, the net assets attributable to defined contribution members have been substantially allocated. Unallocated amounts are shown in the statement of financial position as “Unallocated to members” within reserves.

Defined contribution members’ liabilities are fully vested as at 30 June 2020 and 30 June 2019.

**7. RESERVES**

**(a) Operational risk financial reserve (ORFR)**

Under APRA Prudential Standard SPS114: Operational Risk Financial Requirement (ORFR), the Trustee determined it would maintain an ORFR Target Amount of 0.25% of the Fund’s net assets.

The ORFR is part of the financial management of the Fund and is operated in accordance with the ORFR Strategy. The ORFR may be used in certain circumstances to address operational risk events or claims against the Fund arising from operational risk.

At 30 June 2020, the ORFR represented 0.25% (2019: 0.26%) of the Fund’s Net Asset Value.

**(b) Expense recovery reserve**

The expense reserve is used to cover operating expenses of the Fund or any Trustee expenses related to the Fund in line with the Trustee’s Reserve Policy.

**(c) Unallocated to members**

This reserve is utilised by the Fund to maintain the difference between the amounts allocated to members as at the end of the financial year and the net assets of the Fund. It includes the amount which will be utilised by the Fund in regards to any future income or tax credits arising from the completion of the tax position following the year end. This income or tax credits will be allocated in accordance with applicable Funds’ policies.

**8. INCOME TAX EXPENSE**

**(a) Recognised in the Income Statement:**

	<b>2020</b>	<b>2019</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Current tax expense</b>		
Current year	(2,438)	(5,651)
Adjustment for prior periods	(1,513)	(223)
<b>Deferred tax expense</b>		
Movement in temporary differences	(10,422)	3,997
<b>Total income tax benefit in Income Statement</b>	<b>(14,373)</b>	<b>(1,877)</b>



**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**8. INCOME TAX EXPENSE (CONTINUED)**

**(b) Numerical reconciliation between tax expense and operating result before income tax:**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Operating result before income tax expense	(61,652)	69,776
Tax at the complying superannuation fund tax rate of 15% (2019: 15%)	(9,248)	10,466
<i>Increase/(decrease) in income tax expense due to:</i>		
Capital Gains Discount Concession	4,157	(128)
Imputation credits & foreign income tax offsets	(5,932)	(8,614)
Non-deductible expenses	5	121
Other non-assessable income	(381)	(338)
Tax benefit from insurance premiums	(785)	(1,047)
Adjustment for prior periods	(1,513)	(223)
Exempt current pension income	(676)	(2,114)
<b>Income tax expense/(benefit)</b>	<b>(14,373)</b>	<b>(1,877)</b>

**(c) Recognised in the Statement of Changes in Member Benefits:**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contributions and transfers in recognised in the Statement of Changes in Member Benefits</b>	<b>202,081</b>	<b>440,465</b>
Tax at the complying superannuation fund tax rate of 15% (2019:15%)	30,312	66,070
<i>Increase/(decrease) in income tax expense due to:</i>		
SFT Transfer in – not taxable	-	(40,677)
Member contributions	(3,431)	(2,979)
Transfer from other super entities	(18,564)	(15,604)
No-TFN contribution tax	1	-
<b>Income tax on contributions</b>	<b>8,318</b>	<b>6,810</b>

**9. TAX ASSETS AND LIABILITIES**

**Current tax assets and liabilities**

The current tax payable for the Fund of \$4,680,118 (2019: \$661,986 tax receivable) represents the amount of income taxes payable in respect of current and prior financial periods.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. TAX ASSETS AND LIABILITIES (CONTINUED)**

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Deferred tax assets</i>		
Capital losses on investments	12,047	4,740
Other payables	26	48
<b>Total deferred tax assets</b>	<b>12,073</b>	<b>4,788</b>
<i>Deferred tax liabilities</i>		
Net capital gains on investments	8,896	11,963
Other receivables	50	119
<b>Total deferred tax liabilities</b>	<b>8,946</b>	<b>12,082</b>
<b>Net deferred tax assets (liabilities)</b>	<b>3,127</b>	<b>(7,294)</b>

**Movement in deferred tax assets and liabilities during the year**

	<b>Balance 1 July 2019</b>	<b>Recognised in Income Statement</b>	<b>Balance 30 June 2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Deferred tax assets</b>			
Other payables	48	(22)	26
	48	(22)	26
<b>Deferred tax liabilities</b>			
Capital (gains)/losses on investments	(7,223)	10,374	3,151
Other receivables	(119)	69	(50)
	(7,342)	10,443	3,101
	(7,294)	10,421	3,127

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**9. TAX ASSETS AND LIABILITIES (CONTINUED)**

	Balance 1 July 2018 \$'000	Recognised in Income Statement \$'000	Balance 30 June 2019 \$'000
<b>Deferred tax assets</b>			
Other payables	21	27	48
	21	27	48
<b>Deferred tax liabilities</b>			
Capital (gains)/losses on investments	(3,115)	(4,108)	(7,223)
Other receivables	(203)	84	(119)
	(3,318)	(4,024)	(7,342)
	(3,297)	(3,997)	(7,294)

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**10. CASH FLOWS RECONCILIATION**

**(a) Reconciliation of cash and cash equivalents**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank – Operation accounts	16,955	16,282
Cash at bank – Cash Management Accounts	105,302	105,601
<b>Total cash and cash equivalents</b>	<b>122,257</b>	<b>121,883</b>

**(b) Reconciliation of cash flows from operating and investing activities**

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit after income tax	(21)	352
<b>Adjustments for:</b>		
Net changes in fair value of financial instruments	93,459	(35,193)
Death and disability proceeds received from insurer	4,892	3,902
Insurance premiums	(5,532)	(6,915)
Decrease in receivable	925	620
(Increase)/decrease in trust distributions receivable	3,380	(5,213)
Decrease in payable	(318)	(240)
Increase/(decrease) in income tax payable	3,178	(2,496)
Allocation to members' accounts	(47,258)	71,301
Distribution reinvestments	(22,381)	(13,640)
(Increase)/decrease in input tax credits receivable	69	(61)
Increase/(decrease) in deferred tax liabilities	(10,421)	3,998
<b>Net cash inflows from operating activities</b>	<b>19,972</b>	<b>16,415</b>
<b>Cash flow from investing activities</b>		
Net sale/(purchase) of assets measured at fair value	(62,159)	(57,234)
<b>Net cash outflows from investing activities</b>	<b>(62,159)</b>	<b>(57,234)</b>
<b>Net cash outflows from operating and investing activities</b>	<b>(42,187)</b>	<b>(40,819)</b>

**11. COMMITMENTS**

There are no commitments the Trustee is aware of as of 30 June 2020 (2019: Nil).

**12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There are no outstanding contingent assets or liabilities as at 30 June 2020 (2019: Nil).

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**13. RELATED PARTY DISCLOSURES**

**(a) Trustee**

The Trustee of the Fund is Equity Trustees Superannuation Limited (ACN 055 641 757, RSE Licensee L0001458).

**(b) Directors**

Key management personnel include persons who were directors of Equity Trustees Superannuation Limited at any time during the reporting period as follows.

<b>Name</b>	<b>Title</b>	<b>Appointed</b>	<b>Resigned</b>
Mr Anthony Jude Lally	Non-Executive Director and Chairman		
Mr Michael O'Brien	Managing Director and Executive Director		
Ms Catherine Robson	Non-Executive Director		05-May-20
Mr Ellis Varejes	Non-Executive Director		
Mr Mark Blair	Executive Director		
Ms Susan Granville Everingham	Non-Executive Director		
Mr Paul Douglas Rogan	Non-Executive Director	27-Aug-19	
Mr Jezy (George) Zielinski	Non-Executive Director	06-Jul-20	

None of the above directors of the Trustee are members of the Fund.

**(c) Other key management personnel**

There were no other persons with responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly during the reporting period.

**(d) Remuneration of the Trustee**

There have been no transactions between Equity Trustees Superannuation Limited and the Fund other than the trustee fees, custodian fees and reimbursements for expenses disclosed in the Income Statement and the notes below.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trustee Fees to Equity Trustees Superannuation Limited	1,138,217	988,753
Custodian Fees to Equity Trustees Limited	123,573	78,078
	<u>1,261,790</u>	<u>1,066,831</u>

As at 30 June 2020, \$9,405 (30 June 2019: \$104,405) was payable to the trustee and is included in the statement of financial position.

The directors of the Trustee do not receive remuneration directly from the Fund.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**13. RELATED PARTY DISCLOSURES (CONTINUED)**

**(e) Expenses paid by and reimbursed to the trustee**

The following expenses were paid by and reimbursed to the trustee by the Fund during the period.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
External audit fees – RMF & Compliance	13,063	10,633
Internal audit fees	24,732	15,402
Regulatory fees – ASIC & AFCA	40,228	20,483
	<u>78,023</u>	<u>46,518</u>

**(f) Investments**

As at 30 June 2020, the Fund has invested \$33,327,752 (2019: \$36,008,231) of its assets in below investments that relate to EQT Investment Fund. Equity Trustees Limited is the issuer and custodian of the EQT Investment Fund in which the Fund invests. Transactions between Equity Trustees Superannuation Limited (ABN 50 055 641 757) in its capacity as Trustee of the Fund and Equity Trustees Limited in its capacity as issuer and custodian of the EQT Investment Fund are conducted on normal commercial terms and involve conditions no more or less favourable than those available to other parties unless otherwise stated.

<b>Investment Held</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
EQT Core International Equity Fund	3,112,093	2,870,118
EQT Wholesale Flagship Fund	20,460,578	20,928,855
EQT Diversified Fixed Income Fund	675,746	1,692,643
EQT Wholesale Mortgage Income Fund	9,079,335	10,516,615
	<u>33,327,752</u>	<u>36,008,231</u>

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. FINANCIAL RISK MANAGEMENT**

**(a) Financial instruments management**

The investments of the Fund (other than cash held for meeting daily administrative and benefit expenses), are managed on behalf of the Trustee by specialist fund managers in accordance with the investment strategy to achieve the Fund's investment objectives.

The Trustee has engaged Atchison Consultants (ABN 58097 703 047), an asset consultant, to monitor and provide regular reports on the Fund's investments to the Trustee. The Trustee may seek information from the manager of each collective investment (and also may seek independent advice from other qualified persons) so as to determine the nature and extent of any risks, and the expected returns, associated with each investment prior to determining its suitability as an investment for the Fund.

The Fund's financial assets and liabilities adopted in the Statement of Financial Position are carried at their fair value.

**(b) Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in Note 3 to the Financial Statements.

**(c) Capital risk management**

The Trustee has established an Operational Risk Financial Reserve ("ORFR") to provide funding for incidents where material losses may arise from an operational risk event (as opposed to investment risk) relating to the Fund. The level of reserve is determined by the Trustee based on an assessment of the risks faced by the Fund. The Trustee has an operational risk financial requirement strategy to manage assets held in the ORFR. According to Superannuation Prudential Standard 114: Operational Risk Financial Requirement, (SPS 114) which became effective 1 July 2013, the financial resources held to meet the ORFR must be held either as:

- An operational risk reserve held within an RSE;
- Operation risk trustee capital held by the RSE licensee; or
- A combination of both an operational risk reserve held within an RSE and operational risk trustee capital held by the RSE Licensee.

The target amount has been met as at the reporting date.

**(d) Financial risk management objectives**

The Fund is exposed to a variety of financial risks as a result of its activities. These risks include market risk (including currency risk, cash flow interest rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Fund's risk management and investment policies, approved by the Trustee, seek to minimise the potential adverse effects of these risks on the Fund's financial performance. These policies may include the use of certain financial derivative instruments.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(d) Financial risk management objectives (continued)**

It is ultimately the responsibility of the Trustee to ensure that there is an effective risk management control framework in place. Consistent with regulatory requirements the Trustee has the function of overseeing the establishment and maintenance of risk-based systems and controls for the Fund. The Trustee has developed, implemented and maintains a Risk Management Framework ("RMF").

The RMF identifies the Trustee's policies and procedures, processes and controls that comprise its risk management and control systems. These systems address all material risks, financial and non-financial, likely to be faced by the Fund. Annually, the Trustee is required to certify to APRA whether adequate strategies have been put in place to monitor those risks, that the Trustee has systems in place to ensure compliance with legislative and prudential requirements and that the Trustee has satisfied itself as to the compliance with the RMF.

**(e) Investment risk**

The Fund's assets principally consist of financial instruments which comprise of cash, listed securities, listed and unlisted unit trusts, and collective investment vehicles such as pooled superannuation trusts. The Trustee has determined that this type of investment is appropriate for the Fund and is in accordance with the Fund's investment strategy.

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

- Market risk
- Credit risk
- Liquidity risk

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

To mitigate market risk, the Fund undertakes due diligence prior to the approval of fund managers to ensure that they have appropriate expertise and skill for monitoring of the market conditions and benchmark analysis. Further the Fund's asset consultant provides additional expert advice as required.

**(i) Currency risk**

Currency risk arises on financial instruments that are denominated in a foreign currency that is in a currency other than that in which they are measured. The Fund does not currently have any investments denominated in a foreign currency.

However, the managed investments of the Fund have allocations to internationally domiciled assets classes which are exposed to currency fluctuations.

*Sensitivity analysis - currency risk*

There is no significant currency risk in this Fund. The Fund does not currently have any investments denominated in a foreign currency.



**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Investment risk (continued)**

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The majority of the Fund's financial instruments are non-interest bearing with only cash and fixed interest securities being subjected to interest rate risk. The Fund's exposure to interest rate risk is set out below:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	122,257	121,883
Variable interest rate financial instruments	28,692	30,994
<b>Total variable rate instruments</b>	<b>150,949</b>	<b>152,877</b>

The following table demonstrates the sensitivity of the Fund's net assets available to pay benefits, where interest rates - vary by 25bp (2019: 50bps). This table has been provided to illustrate the sensitivity of the Fund's investment portfolio to interest rate fluctuations. This analysis assumes that all other variables remain constant.

*Cashflow sensitivity analysis - variable rate instruments*

	<b>Change in fair value of assets</b>		<b>Effect on net assets available to pay benefits</b>	
	<b>\$'000</b>		<b>\$'000</b>	
	<b>25bps Decrease</b>	<b>25bps Increase</b>	<b>25bps Decrease</b>	<b>25bps Increase</b>
<b>2020</b>				
<b>Interest rate risk</b>	(377)	377	(377)	377
	(377)	377	(377)	377
	<b>50bps Decrease</b>	<b>50bps Increase</b>	<b>50bps Decrease</b>	<b>50bps Increase</b>
<b>2019</b>				
<b>Interest rate risk</b>	(764)	764	(764)	764
	(764)	764	(764)	764

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Investment risk (continued)**

(iii) Other market price risk

Other market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

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

The Fund's assets are invested in cash and units in unitised investments. The Fund's exposure to other market price risk is therefore limited to the market price movement of these investments.

The Trustee has determined that these investments are appropriate for the Fund and are in accordance with the Fund's investment strategy.

The table below illustrates the impact of other market price risk to the Fund should each type of financial asset fluctuate by a 12.5% increase or decrease from the investment objective. This analysis assumes that all other variables remain constant.

	Carrying amount \$'000	Change in fair value of assets \$'000		Effect on net assets available to pay benefits \$'000	
		12.5% Decrease	12.5% Increase	12.5% Decrease	12.5% Increase
<b>2020</b>					
Shares and other securities in listed companies	329,613	(41,202)	41,202	(41,202)	41,202
Units in Listed Unit Trusts	203,378	(25,422)	25,422	(25,422)	25,422
Units in Unlisted Unit Trusts	520,879	(65,110)	65,110	(65,110)	65,110
Units in Pooled Superannuation Trusts	211	(26)	26	(26)	26
Direct holding of property	215	(27)	27	(27)	27
	1,054,296	(131,787)	131,787	(131,787)	131,787
	Carrying amount \$'000	10% Decrease	10% Increase	10% Decrease	10% Increase
<b>2019</b>					
Shares and other securities in listed companies	340,330	(34,033)	34,033	(34,033)	34,033
Units in Listed Unit Trusts	160,540	(16,054)	16,054	(16,054)	16,054
Units in Unlisted Unit Trusts	552,213	(55,221)	55,221	(55,221)	55,221
Units in Pooled Superannuation Trusts	224	(22)	22	(22)	22
Direct holding of property	215	(22)	22	(22)	22
	1,053,522	(105,352)	105,352	(105,352)	105,352

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Investment risk (continued)**

**Credit Risk**

Credit risk refers to the risk that the counterparty to the financial instrument will default on its contractual obligations resulting in a financial loss to the Fund.

The carrying amounts of financial assets best represent the maximum credit risk exposure at reporting date. No collateral is held as security or other credit enhancement exists for all financial assets held. No financial assets are considered past due as all payments are considered recoverable when contractually due. The Fund's financial assets exposed to credit risk amounted to the following:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash	122,257	121,883
Investments	1,087,310	1,092,542
Due from brokers	1,346	3,286
Distribution and dividend receivable	8,344	12,607
Other receivables	834	1,031
<b>Total</b>	<b>1,220,091</b>	<b>1,231,349</b>

**Liquidity Risk**

Liquidity risk is the risk that the Fund will not be able to meet its obligations when they fall due. The risk is controlled through the Fund's investment in financial instruments which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating conditions. The Fund's overall liquidity risks are monitored by the Trustee at least annually and in accordance with policies and procedures in place.

The following table summarises the maturity profile of the Fund's financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Fund can be required to pay.

*Maturities of financial liabilities*

The tables below show the Fund's financial liabilities based on their contractual maturities using undiscounted cash flows. Liabilities to defined contribution members are payable upon request. The Fund considers it unlikely that all liabilities to members would fall due at the same time.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

**(e) Investment risk (continued)**

	Carrying amount \$'000	Less than 1 month \$'000	1-3 Months \$'000	Over 3 Months \$'000
<b>30 June 2020</b>				
Benefits payable	-	-	-	-
Other Payables	2,744	2,744	-	-
Member liabilities	1,202,936	1,202,936	-	-
	1,205,680	1,205,680	-	-
<b>30 June 2019</b>				
Benefits payable	-	-	-	-
Other Payables	3,323	3,323	-	-
Member liabilities	1,207,910	1,207,910	-	-
	1,211,233	1,211,233	-	-

Member benefits have been included, if applicable, in the less than one month column, as this is the amount that members could call upon at year-end. This is the earliest date on which the Fund can be required to pay members' benefits; however, the Trustee does not anticipate that members will call upon amounts accrued to them during this time.

**15. FAIR VALUE MEASUREMENTS**

**Fair value hierarchy**

The Fund classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. Table below analyses financial instruments carried at fair value.

The different levels have been defined as follows:

- Level 1 fair value measurements are those instruments valued based on quoted prices (unadjusted) in active markets for identical assets and liabilities. These inputs are readily available in the market and are normally obtainable from multiple sources.
- Level 2 fair value measurements are those instruments valued based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly. The Trustee values fixed interest securities held by the Fund using broker quotes, units in unit trusts using the unit price provided by the underlying fund manager.
- Level 3 fair value measurements are those instruments valued based on inputs where one or more of the significant inputs are not based on observable market data, examples include discount rates and other material unobservable inputs. The Trustee values units in unit trusts classified as level 3 using the unit price provided by the underlying fund manager. These unit trusts hold illiquid investments such as unlisted property and private equity. The Fund classifies suspended and delisted securities that have not been actively traded at least in the last 3 months as Level 3 investments, and these securities are priced in the accounting system based on the last available price.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**15. FAIR VALUE MEASUREMENTS (CONTINUED)**

The table below sets out the Fund's financial assets and liabilities at fair value according to the fair value hierarchy.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 June 2020</b>				
<i>Financial Assets</i>				
Cash and cash equivalents	122,257	-	-	122,257
Investment revenue and other receivables	9,178	-	-	9,178
Due from brokers - receivables for securities sold	3,954	-	-	3,954
Term deposits	4,121	-	-	4,121
Other interest bearing financial instruments	28,892	-	-	28,892
Shares and other securities in listed companies	327,846	-	1,767	329,613
Units in Listed Unit Trusts	203,378	-	-	203,378
Units in Unlisted Unit Trusts	-	519,122	1,757	520,879
Units in Pooled Superannuation Trusts	-	211	-	211
Direct holding of property	-	-	215	215
	699,626	519,333	3,739	1,222,698
<i>Financial Liabilities</i>				
Due to brokers payable for securities purchased	(2,608)	-	-	(2,608)
Other payables	(2,744)	-	-	(2,744)
	(5,352)	-	-	(5,352)

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**15. FAIR VALUE MEASUREMENTS (CONTINUED)**

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>30 June 2019</b>				
<i>Financial Assets</i>				
Cash and cash equivalents	121,883	-	-	121,883
Investment revenue and other receivables	13,639	-	-	13,639
Due from brokers - receivables for securities sold	4,692	-	-	4,692
Term deposits	7,874	-	-	7,874
Other interest bearing financial instruments	31,145	-	-	31,145
Shares and other securities in listed companies	339,645	-	685	340,330
Units in Listed Unit Trusts	160,540	-	-	160,540
Units in Unlisted Unit Trusts	-	552,213	-	552,213
Units in Pooled Superannuation Trusts	-	224	-	224
Direct holding of property	-	-	215	215
	679,418	552,437	900	1,232,755
<i>Financial Liabilities</i>				
Due to brokers payable for securities purchased	(1,406)	-	-	(1,406)
Other payables	(3,323)	-	-	(3,323)
	(4,729)	-	-	(4,729)

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

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	2020 \$'000	2019 \$'000
Opening balance at the beginning of the reporting period	900	496
Transfers into Level 3	3,028	639
Transfers from Level 3	(189)	(235)
<b>Closing balance at the end of the reporting period</b>	<b>3,739</b>	<b>900</b>

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**16. STRUCTURED ENTITIES**

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

The Fund considers all investments in managed investment schemes ('MIS') to be structured entities. The Fund invests in underlying managed funds for the purpose of capital appreciation and or earning investment income.

The objectives of the investee MIS are to achieve medium to long term capital growth. The investee MIS invest in a number of different financial instruments, including equities and debt instruments.

The exposure to investments in investee funds at fair value, by investment strategy, is disclosed below:

	<b>Fair Value as at 30 June 2020 \$'000</b>	<b>Fair Value as at 30 June 2019 '\$000</b>
Australian Cash	101,177	86,223
Australian Equity	174,832	179,843
International Equity	116,400	124,353
Australian fixed interest funds	50,031	63,834
International Fixed Income	34,753	48,278
Australian Property	31,546	30,422
International Property	12,351	19,260
	<b>521,090</b>	<b>552,213</b>

The fair value of financial assets (2020: \$521,090,000, 2019: \$552,213,000) is included in investments in the statement of financial position.

The Fund's maximum exposure to loss from its interests in investee MIS's is equal to the total fair value of its investments in the investee funds.

During the year the Fund earned fair value gains and distribution income as a result of its interests in other funds.

**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**17. EXTERNAL AUDITOR'S REMUNERATION**

	2020 \$	2019 \$
<b>Deloitte</b>		
Audit and review of financial statements and compliance	90,069	88,825
Other Services - RMF	13,063	10,633
<b>Total Auditor's Remuneration</b>	<b>103,132</b>	<b>99,458</b>

Included in the total auditors' remuneration above, \$13,063 (2019: \$10,633) as disclosed in Related Party Note 13 (e) was reimbursed to the Trustee in relation to the audit and review of the risk management framework.

**18. INSURANCE ARRANGEMENTS**

The Fund provides death and disability benefits to its members. The Trustee has a group policy in place with a third-party insurance company to insure these death and disability benefits for the members of the Fund.

The Fund collects premiums from members on behalf of the insurance company. Insurance claim amounts are recognised where the insurer has agreed to pay the claim. Therefore, insurance premiums are not revenues or expenses of the superannuation entity and do not give rise to insurance contract liabilities or reinsurance assets. Insurance premiums charged to members' accounts and insurance claim proceeds credited to members accounts are recognised in the statement of changes in members' benefits.

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

- members (or their beneficiaries) will only receive insurance benefits if the external insurer pays the claim,
- insurance premiums are only paid through the Fund for administrative reasons, and
- insurance premiums are effectively set directly by reference to premiums set by an external insurer.

**19. CORONAVIRUS (COVID-19) PANDEMIC**

**Background**

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. Since that time, the pandemic has had a significant impact on the community, the economy, investment markets, and the operations of businesses across the country and world.

On 22 March 2020 the federal government announced a temporary measure due to the effects of coronavirus on the economy. This new rule allowed individuals to access up to \$10,000 of their superannuation in 2019/20 and a further \$10,000 in 2020/21.

For the year ended 30 June 2020 the Fund paid out \$17.4 million in benefits to members seeking early access to their super.

The Trustee has considered the impact of the government's response to COVID-19 and other market volatility in preparing its financial statements. The financial report has been prepared on a going concern



**AMG SUPER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**19. CORONAVIRUS (COVID-19) PANDEMIC (CONTINUED)**

basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business and whilst the situation remains uncertain, the

Trustee remains confident that the Fund will be able to continue as a going concern and has sufficient liquidity to meet its debts as and when they fall due.

The key areas of impact were as follows:

**Investments**

The global pandemic has impacted global economic activity and, to varying degrees, financial markets around the world. As a result, assessing fair value as at reporting date involves increased uncertainties around the underlying assumptions for valuations given the very wide range of potential paths forward for both economies, policy responses and asset fundamentals. Additionally, very low, if any, transaction volumes make evidential valuation difficult.

**Recoverability of Deferred Tax Balances**

In assessing whether a deferred tax asset can be recognised and given the macro-economic conditions arising from COVID-19 existed at the reporting date, the Trustee has ensured the projections of future taxable earnings is robust and based on reasonable assumptions regarding the Fund's future investment performance and taxable contribution levels.

**Risk management**

The Trustee's robust risk management framework continues to be applied across the Funds operations and the Trustee continues to monitor the impact of government's response to COVID-19 on the Fund's risk profile. Non-financial risks emerging from global movement restrictions, and remote working by our staff, counterparties, clients and suppliers, are being identified, assessed, managed and governed through timely application of the Trustee's risk management framework.

The management of liquidity risk is a key element of the investment process. The risk is controlled through the Fund's investment in financial instruments which are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating conditions as well as additional cash requirements to fund the benefits to members seeking early access to their super.

**20. EVENTS SUBSEQUENT TO REPORTING DATE**

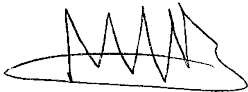
There has not arisen in the interval between the end of the financial year and the date of this financial report any item, transaction or event of an unusual nature likely to affect significantly the operations of the Fund, the result of the operations, or the state of affairs of the Fund. Accordingly, no adjustment has been made to the net assets of the Fund. In the event that COVID-19 impacts are more severe or prolonged than anticipated, the future fair value of the Fund's investments may be adversely impacted.

**AMG SUPER**  
**TRUSTEES' DECLARATION TO THE MEMBERS**

**In the opinion of the directors of the trustee of AMG Super:**

1. The accompanying Financial Statements and notes set out on pages 1 to 31 are in accordance with:
  - Australian Accounting Standards and other mandatory professional reporting requirements, and
  - present fairly the Fund's financial position as at 30 June 2020 and of its performance for the financial year ended on that date
2. The Fund has been conducted in accordance with its constituent Trustee Deed and the requirements of the *Superannuation Industry (Supervision) Act 1993* and its accompanying Regulations; the relevant requirements of the *Corporations Act 2001 and Regulations*; the requirements under section 13 of the *Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2020
3. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors of Equity Trustees Superannuation Limited (ABN 50 055 641 757) as Trustee for AMG Super.



Mark Blair.....  
Director

Melbourne

24 September 2020

## Report by the RSE Auditor to the trustee and members of AMG Super (ABN 30 099 320 583)

### Opinion

We have audited the financial statements of AMG Super for the year ended 30 June 2020 as set out on pages 1 to 31 attached.

In our opinion, the financial statements present fairly, in all material respects, in accordance with Australian Accounting Standards the financial position of AMG Super as at 30 June 2020 and the results of its operations, cash flows, changes in equity/reserves and changes in members' benefits for the year ended 30 June 2020.

### Basis for Opinion

We conducted the audit 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 Statements* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the Accounting Professional and Ethical Standards Board APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

### Responsibilities of the trustee for the Financial Statements

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Deloitte Touche Tohmatsu

**DELOITTE TOUCHE TOHMATSU**

James Oliver

James Oliver  
Partner  
Chartered Accountants  
Melbourne, 24 September 2020