

AMG SUPER

ABN 30 099 320 583

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2023**

AMG SUPER
CONTENTS

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

AMG SUPER
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	10(a)	225,334	155,845
Distributions and dividends receivable		5,719	23,837
Due from brokers		-	2,697
Other receivables		866	487
Prepayments		234	320
Investments held at fair value	15	1,868,317	1,364,820
Deferred tax assets	9	-	5,513
Total assets		<u>2,100,470</u>	<u>1,553,519</u>
Liabilities			
Due to brokers		1,827	-
Benefits payable		1,843	191
Accounts payable		3,380	2,783
Current tax liabilities	9	3,409	2,294
Deferred tax liabilities	9	757	-
Total liabilities (excluding member benefits)		<u>11,216</u>	<u>5,268</u>
Net assets available for member benefits		<u>2,089,254</u>	<u>1,548,251</u>
Member benefits			
Defined contribution member liabilities	6(b)	<u>2,078,099</u>	<u>1,534,284</u>
Total member liabilities		<u>2,078,099</u>	<u>1,534,284</u>
Total net assets		<u>11,155</u>	<u>13,967</u>
Equity			
Operational risk reserve	7(a)	4,358	3,591
General reserve	7(b)	3,658	2,474
Unallocated surplus	7(c)	<u>3,139</u>	<u>7,902</u>
Total equity		<u>11,155</u>	<u>13,967</u>

The Statement of Financial Position is to be read in conjunction with the accompanying Notes to the Financial Statements.

**AMG SUPER
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$'000	2022 \$'000
Superannuation Activities			
Revenue			
Changes in fair value of investments	5	100,398	(193,845)
Distributions and dividends		51,622	71,341
Interest		4,133	68
Other operating income		140	85
Total Revenue/(Loss)		<u>156,293</u>	<u>(122,351)</u>
Expenses			
Investment expenses		(292)	(286)
General administration and operating expenses	4	(9,911)	(9,847)
Adviser fees		(6,350)	(6,256)
Total expenses		<u>(16,553)</u>	<u>(16,389)</u>
Operating Result before income tax benefits/(expense)		<u>139,740</u>	<u>(138,740)</u>
Income tax benefit	8(a)	298	23,474
Operating Result after income tax benefits/(expense)		140,038	(115,266)
Net benefits allocated to defined contribution member accounts		(139,649)	117,023
Operating Result		<u>389</u>	<u>1,757</u>

The Income Statement is to be read in conjunction with the accompanying Notes to the Financial Statements.

AMG SUPER
STATEMENT OF CHANGES IN MEMBER BENEFITS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Opening balance of Member Benefits as at 1 July		1,534,284	1,537,787
Contributions:			
- Employer contributions		86,105	66,208
- Member contributions		70,637	44,576
- Government contributions		410	338
Transfers from other superannuation entities		253,581	160,538
Successor fund transfer	1	197,622	-
Income tax on contributions	8(c)	(15,528)	(11,813)
Net after tax contributions		592,827	259,847
Benefits paid to members		(63,344)	(49,116)
Transfers to other superannuation entities		(125,929)	(96,936)
Insurance premiums charged to members' accounts		(5,759)	(4,801)
Death and disability benefits credited to members' accounts		2,767	2,790
Reserves transferred to members:			
- Unallocated surplus		3,604	1,736
Net benefits allocated, comprising:			
- Net investment income/(loss)		147,937	(108,371)
- Net administration fees		(8,288)	(8,652)
Closing balance of Member Benefits as at 30 June	6	2,078,099	1,534,284

The Statement of Changes in Members Benefits is to be read in conjunction with the accompanying Notes to the Financial Statements.

AMG SUPER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Operational risk reserve \$'000	General reserve \$'000	Unallocated surplus \$'000	Total equity \$'000
Opening balance as at 1 July 2022	3,591	2,474	7,902	13,967
Net Transfers (from)/to reserves	344	-	59	403
Transfer to member accounts	-	-	(3,604)	(3,604)
Operating result	423	1,184	(1,218)	389
Closing balance as at 30 June 2023	4,358	3,658	3,139	11,155

	Operational risk reserve \$'000	General reserve \$'000	Unallocated surplus \$'000	Total equity \$'000
Opening balance as at 1 July 2021	3,837	2,480	7,579	13,896
Net Transfers (from)/to reserves	-	(193)	243	50
Transfer to member accounts	-	-	(1,736)	(1,736)
Operating result	(246)	187	1,816	1,757
Closing balance as at 30 June 2022	3,591	2,474	7,902	13,967

The Statement of Changes in Equity is to be read in conjunction with the accompanying Notes to the Financial statements.

AMG SUPER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Interest received		4,036	61
Distributions and dividend received		51,581	44,735
Death and disability proceeds received from insurer		2,766	2,737
Other income received		101	81
General administration and operating expenses paid		(9,714)	(10,564)
Adviser fees paid		(6,350)	(6,700)
Investment expenses paid		(292)	(304)
Insurance premiums paid		(5,759)	(4,802)
Income tax refunded/(paid)		6,052	(1,772)
Net cash inflows from operating activities	10(b)	<u>42,421</u>	<u>23,472</u>
Cash flows from investing activities			
Proceeds from sale of investments		467,853	600,488
Payments for purchase of investments		(850,644)	(716,328)
Net cash outflows from investing activities		<u>(382,791)</u>	<u>(115,840)</u>
Cash flows from financing activities			
Employer contributions		86,481	66,209
Member contributions		70,637	40,421
Government contributions		410	338
Benefits paid to members		(61,151)	(48,456)
Net transfers from other funds		127,652	70,788
Successor Fund Transfer		198,026	-
Income tax paid on contributions		(13,897)	(9,537)
Unallocated deposits		1,701	799
Net cash inflows from financing activities		<u>409,859</u>	<u>120,562</u>
Net increase in cash held		69,489	28,194
Cash at the beginning of the financial year		155,845	127,651
Cash at the end of the financial year	10(a)	<u>225,334</u>	<u>155,845</u>

The Statement of Cash Flows is to be read in conjunction with the accompanying Notes to the Financial Statements.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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.

During the year, the Fund undertook two successor fund transfers. The details are below. In total of \$198,024,989 in Assets and \$197,621,862 in Member Liabilities were transferred into the fund.

On 16 December 2022, the Fund undertook a successor fund transfer from Diversa Trustees Limited (ABN 49 006 421 638) with Raiz Invest Australia Limited (ABN 26 604 402 815). The change to net member liabilities of \$129,256,250 is included separately in the statement of Changes in Members Benefits.

	16-Dec-22 \$
Assets	
Cash and cash equivalents	502,113
Investments held at fair market value	129,157,264
Total Assets	129,659,377
Liabilities	
Total Liabilities (excluding member benefits)	-
Net Assets available for member benefits	129,659,377
Member benefits	
Defined contribution member liabilities	129,256,250
Total member liabilities	129,256,250
Total net assets	403,127
Equity	
Operational risk reserve	342,508
General reserve	60,619
Total Equity	403,127

On 30 April 2023, the Fund undertook a successor fund transfer with the Superestate, a division of Tidswell Master Superannuation Plan (ABN 34 300 938 877). The change to net member liabilities of \$68,365,612 included separately in the Statement of Changes in Members Benefits.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION (CONTINUED)

	30-Apr-23
	\$
Assets	
Cash and cash equivalents	49,774,410
Investments held at fair market value	18,591,202
Total Assets	68,365,612
Liabilities	
Total Liabilities (excluding member benefits)	-
Net Assets available for member benefits	68,365,612
Member benefits	
Defined contribution member liabilities	68,365,612
Total member liabilities	68,365,612
Total net assets	-

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 is 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 Statements are 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 the Trustee on 28 September 2023. For the purposes of preparing the financial statements, the Fund is a for-profit entity.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. BASIS OF PREPARATION (CONTINUED)

(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.

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 for details.

(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 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

2. BASIS OF PREPARATION (CONTINUED)

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

New or revised requirement	Title	Effective date (annual periods beginning on or after)	30 June 2023 Year end applicability
AASB 2021-2	Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	Optional
AASB 2020-1	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 July 2023	Optional
AASB 2020-5	AASB 2020-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023	Optional
AASB 2021-6	AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current – Deferral of Effective Date	1 July 2023	Optional

(e) Changes to financial reporting requirements

The Fund is a registrable superannuation entity that is subject to amendments made to the *Corporations Act 2001* by the *Treasury Laws Amendment (2002 Measures No.4) Act 2022*. These amendments are effective for financial years beginning on or after 1 July 2023 and bring registrable superannuation entities such as the Fund into the financial reporting provisions of the *Corporations Act 2001*.

Accordingly, for the Fund's income year ending 30 June 2024, the Fund will be required to prepare an annual report, consisting of a financial report (including financial statements, notes and a directors' declaration), a directors' report (including a remuneration report) and an attached auditor's report and auditor's independence declaration. There will be no impacts to the recognition and measurement requirements utilised in the preparation of the financial report of the Fund as a result of these changes.

These reports must also be lodged with ASIC, who now take on an increased regulatory oversight role following the introduction of these amendments.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023 and the comparative information presented in these financial statements for the year ended 30 June 2022.

(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 of 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 and units in unlisted unit trusts.

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

(ii) Recognition / derecognition

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.

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.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Benefits Payable

Benefits payable are valued at the amounts due to members at reporting date. Benefits 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 are 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.

(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.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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 capital gains tax discount on the normal tax rate leading to an effective tax rate of 10% on any net gains arising from the disposal of investments.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

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

(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) Member Liabilities

Refer to note 6 Member Liabilities for the recognition and measurement of member liabilities.

(l) 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.

(m) Comparative Amounts

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. Comparative figures have been adjusted to conform to the current year's presentation.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4. GENERAL ADMINISTRATION AND OPERATING EXPENSES

	Note	2023 \$'000	2022 \$'000
Administration fees		7,644	7,557
System project costs		80	187
Trustee fees	13(d)	1,648	1,639
APRA levies		117	106
Audit fees		179	138
Tax agent/consultant fees		44	18
Other operating expenses ⁽¹⁾		199	202
		<u>9,911</u>	<u>9,847</u>

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

5. CHANGES IN FAIR VALUE OF INVESTMENTS

	2023 \$'000	2022 \$'000
Investments held at reporting date:		
Shares and other securities in listed companies	35,214	(98,753)
Listed unit trusts	24,712	(44,676)
Unlisted unit trusts	28,894	(93,570)
Pooled Superannuation Trusts	-	(6)
Other interest-bearing financial instruments	450	(1,329)
	<u>89,270</u>	<u>(238,334)</u>
 Investments realised during the reporting period:		
Shares and other securities in listed companies	11,340	17,682
Listed unit trusts	4,846	8,388
Unlisted unit trusts	(4,890)	18,400
Pooled Superannuation Trusts	-	6
Other interest-bearing financial instruments	(168)	13
	<u>11,128</u>	<u>44,489</u>
 Total changes in fair value	<u>100,398</u>	<u>(193,845)</u>

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 disclosed within note 14.

As at 30 June 2023, the net assets attributable to defined contribution members have been substantially allocated. Unallocated amounts are shown in the Statement of Financial Position as part of the Unallocated surplus.

Defined contribution members' liabilities are fully vested as at 30 June 2023 and 30 June 2022.

7. RESERVES

The Trustee maintains an Operational Risk Reserve (ORR), General Reserve (GR) and an Unallocated surplus.

(a) Operational Risk Reserve (ORR)

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

The ORR will continue to be supplemented by the bank interest and investment returns earned on the operating account or the investments of the ORR. The Trustee will review the funding methodology of the ORR if it falls below 80% of the Target Amount. The level and appropriateness of the ORR will be reviewed as part of the annual review of the Risk Management Strategy.

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

At 30 June 2023, the ORR represented 0.21% (2022: 0.23%) of the Fund's Net Asset Value which was below the ORR target amount but within the lower tolerance limit per the policy.

(b) General Reserve (GR)

The general 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.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

7. RESERVES (CONTINUED)

(c) Unallocated Surplus

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, among other items, income receivable to be allocated to members on receipt, and tax credits arising from the completion of the tax position following the year end. This income or any tax credits will be allocated in accordance with applicable Funds' policies.

8. INCOME TAX EXPENSE

(a) Recognised in the Income Statement:

	2023	2022
	\$'000	\$'000
Current tax expense		
Current year	(4,705)	(3,361)
Adjustment for prior periods	(1,862)	(1,474)
Deferred tax expense		
Movement in temporary differences	6,269	(18,639)
Total income tax benefit in Income Statement	(298)	(23,474)

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

	2023	2022
	\$'000	\$'000
Operating result before income tax expense /(benefit)	139,740	(138,740)
Tax at the complying superannuation fund tax rate of 15% (2022: 15%)	20,961	(20,811)
<i>(Decrease)/Increase in income tax expense due to:</i>		
Capital Gains Discount Concession	(3,341)	3,608
Imputation credits & foreign income tax offsets	(8,037)	(11,388)
Other non-assessable income	(2,967)	5,214
Tax benefit from insurance premiums	(864)	(720)
Exempt current pension income	(4,188)	2,097
Adjustment for prior periods	(1,862)	(1,474)
Income tax benefit	(298)	(23,474)

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

8. INCOME TAX EXPENSE (CONTINUED)

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

	2023	2022
	\$'000	\$'000
Contributions and transfers in recognised in the Statement of Changes in Member Benefits	608,355	271,660
Tax at the complying superannuation fund tax rate of 15% (2022:15%)	91,253	40,749
<i>Increase/(decrease) in income tax expense due to:</i>		
Member contributions	(8,557)	(5,143)
Government contributions	(61)	(51)
Transfer from other superannuation entities	(67,107)	(23,745)
No-TFN contribution tax	-	3
Income tax on contributions	15,528	11,813

9. TAX ASSETS AND LIABILITIES

Current tax assets and liabilities

The current tax payable for the Fund of \$3,409,598 payable (2022: \$2,294,271 payable) represents the amount of income taxes payable in respect of current and prior financial periods.

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2023	2022
	\$'000	\$'000
<i>Deferred tax assets</i>		
Net capital losses on investments	-	5,389
Other payables	206	252
Total deferred tax assets	206	5,641
<i>Deferred tax liabilities</i>		
Net capital gains on investments	(963)	-
Other receivables	-	(128)
Total deferred tax liabilities	(963)	(128)
Net deferred tax (liabilities)/assets	(757)	5,513

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

9. TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in deferred tax assets and liabilities during the year

	Balance 1 July 2022 \$'000	Recognised in Income Statement \$'000	Balance 30 June 2023 \$'000
Deferred tax assets			
Net capital losses on investments	5,389	(5,389)	-
Other payables	252	(46)	206
Total deferred tax assets	5,641	(5,435)	206
Deferred tax liabilities			
Net capital gains on investments	-	(963)	(963)
Other receivables	(128)	128	-
Total deferred tax liabilities	(128)	(835)	(963)
Net deferred tax assets/(liabilities)	5,513	(6,270)	(757)
	Balance 1 July 2021 \$'000	Recognised in Income Statement \$'000	Balance 30 June 2022 \$'000
Deferred tax assets			
Net capital losses on investments	-	5,389	5,389
Other payables	29	223	252
Total deferred tax assets	29	5,612	5,641
Deferred tax liabilities			
Net capital gains on investments	(13,346)	13,346	-
Other receivables	(108)	(20)	(128)
Total deferred tax liabilities	(13,454)	13,326	(128)
Net deferred tax assets/(liabilities)	(13,425)	18,938	5,513

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

10. CASH FLOWS RECONCILIATION

(a) Reconciliation of cash and cash equivalents

	2023	2022
	\$'000	\$'000
Cash at bank – Operation accounts	52,640	16,144
Cash at bank – Cash Management Accounts	172,694	139,701
Total cash and cash equivalents	225,334	155,845

(b) Reconciliation of cash flows from operating activities

	2023	2022
	\$'000	\$'000
Profit after income tax	389	1,757
Adjustments for:		
Net changes in fair value of financial instruments	(100,398)	193,845
Death and disability proceeds received from insurer	2,767	2,737
Insurance premiums paid	(5,759)	(4,802)
Decrease in receivables	47	243
Decrease/(Increase) in dividends and distributions receivable	18,020	(11,407)
Increase/(Decrease) in payables	149	(20)
Decrease in income tax payable	(516)	(8,453)
Allocation to members' accounts	139,650	(117,023)
Reinvestment of investment income	(18,159)	(15,112)
(Increase)/Decrease in input tax credits receivable	(38)	345
Increase/(Decrease) in net deferred tax liabilities	6,269	(18,638)
Net cash inflows from operating activities	42,421	23,472

11. COMMITMENTS

There are no commitments the Trustee is aware of as of 30 June 2023 (2022: Nil).

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no outstanding contingent assets or liabilities as at 30 June 2023 (2022: Nil).

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

13. RELATED PARTY DISCLOSURES

(a) Trustee

The Trustee of the Fund is Equity Trustees Superannuation Limited (ABN 50 055 641 757, 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 or since the end of the reporting period, as follows:

Name	Title	Appointed/Resigned
Mr Michael O'Brien	Managing Director and Executive Director	
Ms Susan Granville Everingham	Non-Executive Director	
Mr Paul Douglas Rogan	Non-Executive Director	
Ms Catherine Anne Robson	Non-Executive Director	Appointed on 16/08/2022
	Interim Chair	Appointed on 01/09/2022
Mr Steven Thomas Carew	Non-Executive Director	Appointed on 01/03/2023
Mr David Nicholas Coogan	Non-Executive Director	Appointed on 15/06/2023
Mr Jezy (George) Zielinski	Non-Executive Director	Resigned on 20/07/2022
Mr Anthony Jude Lally	Non-Executive Director and Chairman	Resigned on 31/08/2022
Mr Mark Blair	Executive Director	Resigned on 10/02/2023
Mr Ellis Varejes	Non-Executive Director	Resigned on 30/06/2023

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

(c) Other key management personnel

Philip Gentry, Chief Financial Officer of Equity Trustees Limited and Andrew Godfrey, Executive General Manager of Equity Trustees Superannuation Limited are also key management personnel 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 (or its related parties) and the Fund other than the trustee fees, adviser fees, custodian fees and reimbursements for expenses disclosed in the Income Statement and the notes below.

	2023	2022
	\$	\$
Trustee Fees to Equity Trustees Superannuation Limited	1,648,492	1,638,895
Custodian Fees to Equity Trustees Limited	63,248	141,483
	<u>1,711,740</u>	<u>1,780,378</u>

As at 30 June 2023, \$153,783 (30 June 2022: \$138,297) was payable to the Trustee or its related parties 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 2023

13. RELATED PARTY DISCLOSURES (CONTINUED)

(e) Expenses incurred by and reimbursed to the Trustee

The following expenses were incurred by and reimbursed (or to be reimbursed) to the trustee by the Fund during the period.

	2023	2022
	\$	\$
External audit fees – RMF & Compliance	14,541	12,349
Internal audit fees	16,597	12,385
Regulatory fees – ASIC & AFCA	59,401	46,702
Regulatory update project related costs	-	25,500
Annual member meeting costs	-	2,554
	<u>90,539</u>	<u>99,490</u>

(f) Investments

As at 30 June 2023, the Fund has invested \$32,087,405 (2022: \$33,488,265) of its assets in below investments that relate to EQT Investment Funds. Equity Trustees Limited is the issuer and custodian of the EQT Investment Funds 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.

	2023	2022
	\$	\$
Investments Held		
EQT Core International Equity Fund	2,553,612	2,481,502
EQT Wholesale Flagship Fund	21,744,868	21,202,590
EQT Diversified Fixed Income Fund	473,576	327,667
EQT Wholesale Mortgage Income Fund	7,187,569	9,476,506
EQT Flagship Fund Retail Class	127,780	-
	<u>32,087,405</u>	<u>33,488,265</u>

As at 30 June 2023, \$Nil (30 June 2022: \$70,397) of distributions were receivable from the above investments and is included in Distributions and dividends receivable in the Statement of Financial Position.

(g) Adviser Fees

Members of the Fund have the option to choose their own financial adviser to provide guidance in respect of their superannuation affairs and elect to have fees for services rendered funded directly from their member account. There are various financial advisers providing these services to members of the Fund, including Equity Trustees Limited (a related party of the Trustee).

For the financial year ended 30 June 2023, Equity Trustees Limited received fees for services rendered to members totalling \$262,704 (30 June 2022: \$359,700). As at 30 June 2023, \$26,367 (30 June 2022: \$31,048) was payable to Equity Trustees Limited and is included in Accounts payable in the Statement of Financial Position.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 58 097 703 047), 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 Reserve ("ORR") 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 ORR. 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 ORR target must be held either as:

- An operational risk reserve held within an RSE;
- Operational 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 Fund achieves its ORR target amount via an operational risk reserve held within the Fund. The target amount has not been met as at the reporting date, but the ORR amount is within the lower tolerance limit per the policy. Refer to note 7(a) for details.

(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, 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 2023

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.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk – Market risk (continued)

(i) Currency risk (continued)

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.

(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 investment balances that have a significant direct or indirect exposure to interest rate risk is set out below:

	2023	2022
	\$'000	\$'000
Cash and cash equivalents	225,334	155,845
Variable interest rate financial instruments	48,669	32,031
Total variable rate instruments	274,003	187,876

The following table demonstrates the sensitivity of the Fund's net assets available to pay benefits, where interest rates - vary by 100 basis points (bps) (2022: 100bps). This table has been provided to illustrate the sensitivity of the Fund's directly and indirectly held investment portfolio to interest rate fluctuations. This analysis assumes that all other variables remain constant.

Cashflow sensitivity analysis - variable rate instruments

	Change in fair value of assets \$'000		Effect on net assets available to pay benefits \$'000	
	100bps Decrease	100bps Increase	100bps Decrease	100bps Increase
2023				
Interest rate risk	(2,740)	2,740	(2,740)	2,740
	(2,740)	2,740	(2,740)	2,740
	100bps Decrease	100bps Increase	100bps Decrease	100bps Increase
2022				
Interest rate risk	(1,879)	1,879	(1,879)	1,879
	(1,879)	1,879	(1,879)	1,879

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk – Market 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 10% (2022: 10%) increase or decrease from the investment objective. This analysis assumes that all other variables remain constant.

	Change in fair value of assets \$'000		Effect on net assets available to pay benefits \$'000		
	Carrying amount \$'000	10% Decrease	10% Increase	10% Decrease	10% Increase
30 June 2023					
Shares and other securities in listed companies	562,849	(56,285)	56,285	(56,285)	56,285
Units in Listed Unit Trusts	609,473	(60,947)	60,947	(60,947)	60,947
Units in Unlisted Unit Trusts	635,802	(63,580)	63,580	(63,580)	63,580
Direct holding of property	210	(21)	21	(21)	21
	1,808,334	(180,833)	180,833	(180,833)	180,833
30 June 2022					
Shares and other securities in listed companies	461,807	(46,181)	46,181	(46,181)	46,181
Units in Listed Unit Trusts	309,375	(30,938)	30,938	(30,938)	30,938
Units in Unlisted Unit Trusts	559,610	(55,961)	55,961	(55,961)	55,961
Direct holding of property	210	(21)	21	(21)	21
	1,331,002	(133,101)	133,101	(133,101)	133,101

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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:

	2023	2022
	\$'000	\$'000
Cash and cash equivalents	225,334	155,845
Investments held at fair value	59,983	33,818
Due from brokers	-	2,697
Distribution and dividend receivable	5,719	23,837
Other receivables	419	78
Total	291,455	216,275

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 2023

14. FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Investment risk – Liquidity risk (continued)

	Carrying amount \$'000	Less than 1 month \$'000	Under 1-3 Months \$'000	Over 3 Months \$'000
30 June 2023				
Benefits payable	1,843	1,843	-	-
Due to brokers	1,827	1,827	-	-
Accounts payables	3,380	3,380	-	-
Current tax liabilities	3,409	-	3,409	-
Member liabilities	2,078,099	2,078,099	-	-
	2,088,558	2,085,149	3,409	-
30 June 2022				
Benefits payable	191	191	-	-
Due to brokers	-	-	-	-
Accounts payables	2,783	2,783	-	-
Current tax liabilities	2,294	-	2,294	-
Member liabilities	1,534,284	1,534,284	-	-
	1,539,552	1,537,258	2,294	-

Member benefits have been included, if applicable, in the “less than 1 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.

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value hierarchy (continued)

- 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.

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

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2023				
Cash and cash equivalents	225,334	-	-	225,334
Term deposits	11,314	-	-	11,314
Other interest-bearing financial instruments	48,669	-	-	48,669
Shares and other securities in listed companies	562,433	-	416	562,849
Units in Listed Unit Trusts	609,473	-	-	609,473
Units in Unlisted Unit Trusts	-	634,243	1,559	635,802
Direct holding of property	-	-	210	210
	1,457,223	634,243	2,185	2,093,651

	Level 1	Level 2	Level 3	Total
	\$'000	\$'000	\$'000	\$'000
30 June 2022				
Cash and cash equivalents	155,845	-	-	155,845
Term deposits	1,787	-	-	1,787
Other interest-bearing financial instruments	32,031	-	-	32,031
Shares and other securities in listed companies	460,299	-	1,508	461,807
Units in Listed Unit Trusts	309,375	-	-	309,375
Units in Unlisted Unit Trusts	-	558,308	1,302	559,610
Direct holding of property	-	-	210	210
	959,337	558,308	3,020	1,520,665

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

15. FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value hierarchy (continued)

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:

	2023	2022
	\$'000	\$'000
Opening balance at the beginning of the reporting period	3,020	3,683
Transfers into Level 3	-	190
Transfers from Level 3	(1,068)	(162)
Change in fair value movements	233	(691)
Closing balance at the end of the reporting period	2,185	3,020

AMG SUPER
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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:

	Fair Value as at 30 June 2023 \$'000	Fair Value as at 30 June 2022 \$'000
Australian Cash	99,357	89,154
Australian Commodities	-	3,058
International Commodities	83	-
Australian Equity	185,057	170,556
International Equity	141,797	126,938
Australian Fixed Income	114,270	94,593
International Fixed Income	35,880	34,889
Australian Property	41,124	21,312
International Property	18,234	19,110
	635,802	559,610

The fair value of financial assets (2023: \$635,802,000, 2022: \$559,610,000) 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 2023

17. EXTERNAL AUDITOR'S REMUNERATION

	2023	2022
	<u>\$</u>	<u>\$</u>
Deloitte		
Audit and review of financial statements and compliance	147,745	108,250
Other Services – RMF audit	14,541	12,349
Other Services – Tax compliance services	18,000	17,765
Total Auditor's Remuneration	<u>180,286</u>	<u>138,364</u>

Included in the total auditors' remuneration above, \$14,541 (2022: \$12,349) 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. MACRO-ECONOMIC EVENTS

In preparing these financial statements the Trustee considers the impact that macro-economic events can have on the Fund's performance. The Trustee's risk management framework is applied across the Fund's operations and the Trustee continues to monitor the impact of events on the Fund's risk profile.

20. EVENTS SUBSEQUENT TO REPORTING DATE

In August 2023 the Trustee advised that it made the decision to terminate the AMG MySuper product on 29 February 2024.

AMG SUPER
TRUSTEE'S 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 2023 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* and the requirements under section 13 of the *Financial Sector (Collection of Data) Act 2001*, during the year ended 30 June 2023
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.



.....
Director

Melbourne

28 September 2023

AMG Super (ABN 30 099 320 583)

Report by the RSE Auditor to the trustee and members

Opinion

We have audited the financial statements of AMG Super for the year ended 30 June 2023 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 2023 and the results of its operations, cash flows, changes in equity and changes in members' benefits for the year ended 30 June 2023.

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.

The logo for Deloitte Touche Tohmatsu, featuring the company name in a cursive script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Kuziow'.

Adam Kuziow
Partner
Chartered Accountants

Melbourne, 29 September 2023