Alphinity Sustainable Share Fund

ARSN 093 245 124

Annual report - for the year ended 30 June 2019

Alphinity Sustainable Share Fund

ARSN 093 245 124

Annual report - for the year ended 30 June 2019

Contents **Page**

This annual report covers Alphinity Sustainable Share Fund as an individual entity.

The Responsible Entity of Alphinity Sustainable Share Fund is Fidante Partners Limited (ABN 94 002 835 592).
The Responsible Entity's registered office is:

Level 2
5 Martin Place
Sydney NSW 2000

Financial highlights

Financial highlights for Alphinity Sustainable Share Fund ("the Trust") include the following:

Performance

The table below shows historical discrete annual return performance of the Trust for the past five years. Performance is calculated after all fees, except any entry fees that have been deducted, and assumes that all distributions were reinvested during that year. The total return is the aggregate of capital growth and distribution of income.

	2019	2018	2017	2016	2015
	%	%	%	%	%
Class A					
Capital growth	**10.29**	17.36	10.37	(3.51)	2.48
Distribution of income	**3.76**	3.31	3.43	2.94	3.02
Total return	**14.05**	20.67	13.80	(0.57)	5.50
Class B (Closed)					
Capital growth	**9.84**	17.23	10.41	(3.56)	2.42
Distribution of income	**4.10**	2.51	2.35	2.06	2.07
Total return	**13.94**	19.74	12.76	(1.50)	4.49

Indirect Cost Ratio

The Indirect Cost Ratio ("ICR") represents the annualised percentage of indirect costs incurred by the Trust over the Trust's average net assets attributable to unitholders for the year. The ICRs for the past five years has been:

	2019	2018	2017	2016	2015
	%	%	%	%	%
Class A	**0.95**	1.09	1.15	1.15	1.15
Class B (Closed)	**0.95**	1.80	2.10	2.10	2.10

On 30 March 2018, the management fees of Class A decreased to 0.95% from 1.15% and the fees of Class B (Closed) decreased to 0.95% from 2.10%.

The indirect costs can include management fees and other costs as indicated in the Trust's governing documents. Indirect costs may also include performance fees if permitted by the Trust's governing documents. These costs are typically deducted from the Trust's assets rather than paid directly by the unitholders of the Trust.

Financial highlights (continued)

Unit redemption prices

Unit prices are determined in accordance with the Trust's Constitution and are calculated as the net assets attributable to unitholders of the Trust divided by the number of units on issue.

Unit redemption prices (quoted ex-distribution and exclusive of exit fees) are shown as follows:

	2019	2018
	$	$
Class A		
At 30 June	**1.8550**	1.6819
High during year	**1.8857**	1.7020
Low during year	**1.4794**	1.4249

	2019	2018
	$	$
Class B (Closed)		
At 30 June	**1.6762**	1.5261
High during year	**1.7052**	1.5431
Low during year	**1.3407**	1.2944

Directors' report

The Directors of Fidante Partners Limited, the Responsible Entity of Alphinity Sustainable Share Fund ("the Trust"), present their report together with the financial statements of Alphinity Sustainable Share Fund for the year ended 30 June 2019.

Directors

The following persons held office as Directors of Fidante Partners Limited during the year or since the end of the year and up to the date of this report, unless otherwise stated:

A Bell (appointed 24 October 2018)
A Bofinger (appointed 1 July 2018)
A Collins (resigned 21 September 2018)
A Murphy
I Saines
A Tobin

Principal activities and significant changes in the state of affairs

The principal activity of the Trust during the year was to invest in accordance with the Trust's governing documents. The Trust invested in shares listed on the Australian Securities Exchange, either directly or indirectly through other wholesale unit trusts and derivatives including futures as detailed below.

Alphinity's approach to sustainable investing
Alphinity aims, through the Trust, to play a role in achieving sustainable development through their investment selections. Alphinity seeks investments in companies which, along with offering attractive financial returns, have good environmental, social and governance ("ESG") practices and, where possible, have the capacity to make a positive impact on society in the areas of economic, environmental and social development by contributing towards the advancement of the United Nations' Sustainable Development Goals. Alphinity also seeks to avoid companies that are materially involved in activities it considers harmful to society and are inconsistent with the achievement of the Sustainable Development Goals, and/or display poor practices in their management of ESG issues.

Alphinity uses the research databases of independent research organisations along with the insights of the Alphinity Sustainable Share Fund Compliance Committee to gain further insights in the activities and ESG characteristics of companies. The Alphinity Sustainable Share Fund Compliance Committee is responsible for reviewing the investable universe to ensure the Trust complies with the Alphinity Sustainable Share Fund Charter.

The investment process is implemented through the following three step process:
Step 1: Define the investable universe - identifying companies that perform activities compatible with the Alphinity Sustainable Share Fund Charter, with strong ESG practices and, where possible, can contribute to achieving the Sustainable Development Goals.
Step 2: Find compelling sustainable companies that fulfil the Alphinity investment philosophy: quality, undervalued companies entering earnings upgrade cycles.
Step 3: Construct a balanced portfolio of 35-55 stocks.

The Asset Manager of the Trust is Alphinity Investment Management Pty Limited.

There were no significant changes in the nature of the Trust's activities or to the state of affairs of the Trust during the year.

Directors' report (continued)

Review and results of operations

The results of the Trust were as follows:

For the year ended 30 June	**2019**	2018
Net profit before finance costs ($'000)	**5,392**	3,915
Distributions paid and payable ($'000)	**1,216**	556
Distributions (cents per unit) - Class A	**5.85**	4.27
Distributions (cents per unit) - Class B (Closed)	**5.74**	2.95

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect:

(i) the operations of the Trust in future financial years, or
(ii) the results of those operations in future financial years, or
(iii) the state of affairs of the Trust in future financial years.

Likely developments and expected results of operations

The Trust will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Trust and in accordance with the provisions of the Trust's Constitution.

Further information on likely developments in the operations of the Trust and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Trust.

Indemnity and insurance of officers

No insurance premiums are paid for out of the assets of the Trust in regards to insurance cover provided to the officers of Fidante Partners Limited. So long as the officers of Fidante Partners Limited act in accordance with the Trust's Constitution and the *Corporations Act 2001*, the officers remain indemnified out of the assets of the Trust against losses incurred while acting on behalf of the Trust. The auditors of the Trust are in no way indemnified out of the assets of the Trust.

Fees paid to and interests held in the Trust by the Responsible Entity or its related entities

Fees paid to the Responsible Entity and its related entities out of the Trust's assets during the year are disclosed in note 13 to the financial statements.

No fees were paid out of Trust assets to the Directors of the Responsible Entity during the year.

The number of interests in the Trust held by the Responsible Entity or its related entities as at the end of the financial year are disclosed in note 13 to the financial statements.

Directors' report (continued)

Interests in the Trust

The movement in units on issue in the Trust during the year is set out below:

	2019	2018
	No. '000	No. '000
Units on issue - as at 1 July - Opening Balance	**15,095**	11,905
Units issued	**11,582**	4,379
Units redeemed	**(2,166)**	(1,189)
Units on issue - as at 30 June - Closing Balance	**24,511**	15,095

The movement in units on issue in the Trust during the year is further disclosed in note 4 to the financial statements.

Value of Trust assets

	2019	2018
	$'000	$'000
Value of Trust assets as at 30 June	**46,819**	25,345

The value of the Trust's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in note 2 to the financial statements.

Environmental regulation

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

Rounding of amounts to the nearest thousand dollars

The amounts contained in this report and the financial report have been rounded to the nearest $1,000, unless otherwise stated, under the option available to the Trust under Australian Securities and Investments Commission ("ASIC") Corporations Instrument 2016/191.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

Authorisation

This report is made in accordance with a resolution of the Directors of the Responsible Entity.

A Bell
Director

Sydney
12 September 2019

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

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

Auditor's Independence Declaration to the Directors of Fidante Partners Limited

As lead auditor for the audit of Alphinity Sustainable Share Fund for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Ernst & Young

RDaSilva

Rita Da Silva
Partner
12 September 2019

Statement of comprehensive income

For the year ended 30 June	Notes	2019 $'000	2018 $'000
Income			
Interest income		**21**	13
Dividend income		**1,362**	715
Distribution income		**117**	94
Other operating income		**2**	-
Net gains on financial instruments at fair value through profit or loss		**4,242**	3,376
Total income		**5,744**	4,198
Expenses			
Management fees	13	**298**	248
Transaction costs		**46**	24
Other expenses		**8**	11
Total expenses		**352**	283
Net profit before finance costs		**5,392**	3,915
Finance costs attributable to unitholders			
Distributions to unitholders	5	**(1,216)**	(556)
Increase in net assets attributable to unitholders	4	**(4,176)**	(3,359)
Net profit for the year		**-**	-
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**-**	-

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

Statement of financial position

As at 30 June	Notes	**2019** **$'000**	2018 $'000
Assets			
Cash and cash equivalents	14(b)	**2,554**	702
Collateral and margin accounts		**37**	12
Receivables	6	**754**	284
Financial assets at fair value through profit or loss	7	**43,474**	24,347
Total assets		**46,819**	25,345
Liabilities			
Distributions payable	5	**447**	122
Payables	9	**1,310**	227
Total liabilities (excluding net assets attributable to unitholders)		**1,757**	349
Net assets attributable to unitholders - Liability	4	**45,062**	24,996

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

Statement of changes in unitholder funds

	Notes	2019 $'000	2018 $'000
As at 1 July - Opening Balance - Liability		**24,996**	16,703
Applications for units		**19,388**	6,657
Units issued upon reinvestment of distributions		**140**	89
Redemptions of units		**(3,638)**	(1,812)
Changes in net assets attributable to unitholders		**4,176**	3,359
As at 30 June - Closing Balance - Liability	4	**45,062**	24,996

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

Statement of cash flows

For the year ended 30 June	Notes	**2019** **$'000**	2018 $'000
Cash flows from operating activities			
Proceeds from sale of derivatives		**49**	33
Purchase of derivatives		**(25)**	-
Dividends received		**1,326**	690
Interest received		**20**	13
Distributions received		**92**	76
Other income received		**2**	-
Management fees paid		**(281)**	(245)
Payment of other expenses		**(58)**	(37)
Net cash inflows from operating activities	14(a)	**1,125**	530
Cash flows from investing activities			
Proceeds from sale of investments		**10,645**	8,006
Purchase of investments		**(24,763)**	(13,206)
Net cash outflows from investing activities		**(14,118)**	(5,200)
Cash flows from financing activities			
Proceeds from applications by unitholders		**19,234**	6,664
Payments for redemptions by unitholders		**(3,638)**	(1,813)
Distributions paid		**(751)**	(472)
Net cash inflows from financing activities		**14,845**	4,379
Net increase/(decrease) in cash and cash equivalents		**1,852**	(291)
Cash and cash equivalents at the beginning of the year		**702**	993
Cash and cash equivalents at the end of the year	14(b)	**2,554**	702

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

1 General information

These financial statements cover Alphinity Sustainable Share Fund ("the Trust") as an individual entity. The Trust is an Australian registered managed investment scheme and was constituted on 29 September 1994. The Trust will terminate on 29 September 2074 unless terminated earlier in accordance with the provisions of the Trust's Constitution.

The financial statements were authorised for issue by the Directors on 12 September 2019.

The nature of the operating and principal activities of the Trust are described in the Directors' report.

2 Summary of significant accounting policies

The accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

(a) Basis of preparation and statement of compliance

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

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

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within twelve months, except for investments in financial instruments and net assets attributable to unitholders. The amounts expected to be recovered or settled beyond twelve months after the end of each reporting period cannot be reliably determined.

(i) Compliance with International Financial Reporting Standards

The financial statements of the Trust also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

(ii) New accounting standards and interpretations

AASB 9 *Financial Instruments* ("AASB 9") replaces AASB 139 *Financial Instruments: Recognition and Measurement* ("AASB 139") and is effective for the Trust from 1 July 2018. The standard makes changes to the classification of financial assets from four categories under AASB 139 and is replaced with two measurement categories: fair value and amortised cost for the purpose of determining their measurement basis, as well as the recognition of changes in fair values. The standard replaces the incurred loss model of AASB 139 with a new expected loss model which can result in the acceleration of impairment recognition on financial instruments. The standard requires entities to account for expected credit losses on financial instruments at the point at which the financial instruments are first recognised and to estimate the expected loss applicable to those financial instruments over the period for which they are held. This requirement can result in expected losses on financial instruments being recognised in full much earlier than would have been the case under AASB 139. In addition, there are also significant changes to hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and associated disclosures. There was no impact on transition and no transitional adjustments were required as a result of complying with the new requirements. The majority of the Trust's financial assets are measured at fair value through profit or loss under AASB 139 and continue to be measured at fair value through profit or loss under AASB 9. Further, the expected credit loss model has not resulted in any material impact to the Trust's financial assets.

In the comparative period, the Trust classified its derivatives as held for trading and all other financial instruments were classified as designated at fair value through profit or loss. In the current period, all financial instruments are classified as at fair value through profit or loss. Comparatives have been reclassified to be consistent with the current period's presentation.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation and statement of compliance (continued)

(ii) New accounting standards and interpretations (continued)

AASB 15 *Revenue from Contracts with Customers* ("AASB 15") replaces AASB 118 *Revenue* ("AASB 118") and is effective for the Trust from 1 July 2018. The standard establishes a five-step model to account for revenue arising from contracts with customers. There was no impact of adopting AASB 15 for the Trust.

In addition to the above, interest and dividend income is now captured in AASB 9, as it is not considered revenue from a customer. There were no significant changes to the requirements now captured under AASB 9.

There are no other new accounting standards and interpretations that have been published and have been early adopted for the 30 June 2019 reporting period that are material to the financial statements.

(b) Financial instruments

(i) Classification

Assets

The Trust classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Trust's portfolio of financial assets is managed and its performance is evaluated on a fair value basis, which is mandatory, in accordance with the Trust's documented investment strategy. The Trust uses fair value information to assess performance of the portfolio and to make decisions to rebalance the portfolio or to realise fair value gains or minimise losses through sales or other trading strategies. The Trust's policy is for the Responsible Entity to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Equity securities and derivatives are measured at fair value through profit or loss.

Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

(ii) Recognition/derecognition

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

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

(iii) Measurement

At initial recognition, the Trust measures financial assets and financial liabilities at fair value. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and financial liabilities are measured at fair value. Gains and losses arising from changes in the fair value are presented in the statement of comprehensive income.

For further details on how the fair values of financial instruments are determined please refer to note 12.

(iv) Offsetting financial instruments

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

2 Summary of significant accounting policies (continued)

(c) Net assets attributable to unitholders - Liability

Units issued by the Trust are redeemable at the unitholders' option at any time for cash based on the redemption price. The fair value of redeemable units is measured using the redemption unit price at the reporting date if unitholders were to exercise their right to redeem units in the Trust.

Units are classified as equity when they satisfy the following criteria under AASB 132 *Financial instruments*: *Presentation*:

- the puttable financial instrument entitles the holder to a pro rata share of net assets in the event of the Trust's liquidation;
- the puttable financial instrument is in the class of instruments that is subordinate to all other classes of instruments and class features are identical;
- the puttable financial instrument does not include any contractual obligations to deliver cash or another financial asset, or to exchange financial instruments with another entity under potentially unfavourable conditions to the Trust, and it is not a contract settled in the Trust's own equity instruments; and
- the total expected cash flows attributable to the puttable financial instrument over the life are based substantially on the profit or loss and cannot be guaranteed.

Effective from 30 June 2018, unitholder funds were not reclassified from a liability to equity as they did not satisfy all the above criteria, following the amendments to the Trust's Constitution on election into the Attribution Managed Investment Trust ("AMIT") regime.

(d) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

When derivatives are held, payments and receipts relating to the purchase and sale of derivatives are classified as cash flows from operating activities, as movements in the fair value of these securities form a part of the Trust's income generating activity.

Payments and receipts relating to the purchase and sale of investment securities at fair value are classified as cash flows from investing activities, as movements in the fair value of these securities represent the Trust's investment activity.

(e) Collateral and margin accounts

Collateral and margin accounts represent short term investments which are not held for the purpose of meeting short term cash commitments. They also include restricted deposits for derivative financial instruments and/or for securities sold short. Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

(f) Investment income

Investment income may include net gains from financial instruments. Where applicable, these net gains include all realised and unrealised fair value changes. Any foreign exchange differences are recorded as a separate line item.

Income may also include dividend, distribution and interest income. Where applicable, these are recorded separately on the statement of comprehensive income when the right to receive payment is established.

(g) Expenses

Expenses may include management fees, operation costs and transaction costs. Expenses may also include performance fees if permitted by the Trust's governing documents. Expenses are recognised in the statement of comprehensive income on an accruals basis.

2 Summary of significant accounting policies (continued)

(h) Income tax

Under current legislation, the Trust is not subject to income tax as all assessable income, exempt income and non-assessable income will be attributed to unitholders under the AMIT regime.

Financial instruments at fair value may include unrealised capital gains. Should such a gain be realised, the portion of the gain that is subject to capital gains tax will be attributed so that the Trust is not subject to capital gains tax.

Realised capital losses are not attributed to unitholders but are retained in the Trust to be offset against any realised capital gains. If realised capital gains exceed realised capital losses, the excess is attributed to unitholders.

The benefit of imputation credits and foreign tax paid are passed on to unitholders.

The Trust currently incurs withholding tax on investment income imposed by certain countries. Such income is recorded gross of withholding tax in the statement of comprehensive income.

(i) Goods and Services Tax

Goods and Services Tax ("GST") is incurred on the cost of various third party services provided to the Trust. The Trust qualifies for Reduced Input Tax Credits ("RITC") at various applicable rates.

All relevant expenditure has been recognised in the statement of comprehensive income net of RITC recoverable. GST is grossed up and included in payables and receivables respectively. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

(j) Foreign currency

(i) Functional and presentation currency

The functional and presentation currency of the Trust is the Australian dollar.

(ii) Transactions and balances

Transactions in foreign currencies are translated into presentation currency, Australian dollars, at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into Australian dollars at the foreign exchange rate ruling at the reporting date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

(k) Use of estimates

The Trust may hold financial instruments for which quoted market prices are readily available. The Trust may also hold certain financial instruments, for example over-the-counter derivatives or unquoted securities, which are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Responsible Entity independent of the area that created them.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Models are calibrated by back testing to actual transactions to ensure that outputs are reliable.

2 Summary of significant accounting policies (continued)

(l) Terms and conditions on units

Each unit issued confers upon the unitholder an equal interest in the Trust, and is of equal value per class. A unit does not confer any interest in any particular asset or investment of the Trust. Unitholders have various rights under the Constitution and the *Corporations Act 2001*, including the right to:

- have their units redeemed;
- receive income distributions;
- attend and vote at meetings of unitholders; and
- participate in the termination and winding up of the Trust.

The rights, obligations and restrictions attached to each unit are identical in all respects.

(m) Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest $1,000, unless otherwise stated, under the option available to the Trust under ASIC Corporations Instrument 2016/191.

(n) Comparative disclosures

Where appropriate, comparative disclosures have been reclassified/amended to be consistent with the current period's presentation.

3 Auditor's remuneration

The cost incurred for auditing the financial report of the Trust is paid directly by the Responsible Entity. The audit fees paid/payable by the Responsible Entity for the year were $7,000 (2018: $6,800).

4 Net assets attributable to unitholders - Liability

As stipulated in the Trust's Constitution, each unit represents a right to an individual share in the Trust and does not extend to a right to the underlying assets of the Trust.

Applications received for units in the Trust are recorded net of any entry fees payable prior to the issue of units in the Trust. Redemptions from the Trust are recorded gross of any exit fees payable after the cancellation of units redeemed.

Income not distributed is included in net assets attributable to unitholders. Where unitholder funds are classified as a liability, movements in net assets attributable to unitholders are recognised in the statement of comprehensive income as finance costs.

There are two separate classes of units and each unit has the same rights, preferences and restrictions attached to it as all other units of the Trust. Movements in the number of units and net assets attributable to unitholders during the year were as follows:

	2019	2018	**2019**	2018
	No. '000	No. '000	**$'000**	$'000
Net assets attributable to unitholders - Class A				
As at 1 July - Opening Balance - Liability	**12,322**	8,972	**20,757**	12,877
Applications for units	**11,487**	4,305	**19,378**	6,644
Units issued upon reinvestment of distributions	**28**	18	**48**	27
Redemptions of units	**(1,917)**	(973)	**(3,253)**	(1,517)
Changes in net assets attributable to unitholders	**-**	-	**3,782**	2,726
As at 30 June - Closing Balance - Liability	**21,920**	12,322	**40,712**	20,757

4 Net assets attributable to unitholders - Liability (continued)

	2019	2018	2019	2018
	No. '000	No. '000	$'000	$'000
Net assets attributable to unitholders - Class B (Closed)				
As at 1 July - Opening Balance - Liability	**2,773**	2,933	**4,239**	3,826
Applications for units	**6**	9	**10**	13
Units issued upon reinvestment of distributions	**61**	47	**92**	62
Redemptions of units	**(249)**	(216)	**(385)**	(295)
Changes in net assets attributable to unitholders	**-**	-	**394**	633
As at 30 June - Closing Balance - Liability	**2,591**	2,773	**4,350**	4,239

As at 30 June	2019	2018
	$'000	$'000
Total net assets attributable to unitholders - Liability	**45,062**	24,996

Effective 27 April 2014, Class B was closed to new investors. Existing investors in the class are still able to make additional investments into or withdraw from the Trust.

Capital risk management

The Trust considers its unitholder funds as capital. The amount of unitholder funds can change significantly as the Trust is subject to applications and redemptions at the discretion of unitholders. Applications and redemptions are reviewed relative to the liquidity of the Trust's underlying assets by the Responsible Entity. Under the terms of the Trust's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

Net realised capital losses

At the end of the reporting period, the Trust had net realised capital losses of $14,531,261 (2018: $15,839,482) available to offset against future net realised capital gains. Net realised capital losses are not finalised for taxation purposes, and may change due to calculation adjustment, denial, offset or recoupment.

5 Distributions to unitholders

In accordance with the Trust's Constitution, the Trust distributes income adjusted for amounts determined by the Responsible Entity to unitholders by cash or reinvestment. Where unitholder funds are classified as a liability, these distributions are recognised in the statement of comprehensive income as finance costs.

The distributions for the year were as follows:

	2019	2019	2018	2018
	$'000	CPU	$'000	CPU
Distributions - Class A				
Distributions paid - September	**255**	**1.86**	165	1.66
Distributions paid - December	**118**	**0.72**	124	1.10
Distributions paid - March	**288**	**1.44**	79	0.66
Distributions payable - June	**401**	**1.83**	105	0.85
	1,062	**5.85**	473	4.27

5 Distributions to unitholders (continued)

	2019	**2019**	2018	2018
	$'000	**CPU**	$'000	CPU
Distributions - Class B (Closed)				
Distributions paid - September	**49**	**1.78**	36	1.27
Distributions paid - December	**20**	**0.71**	22	0.76
Distributions paid - March	**39**	**1.48**	8	0.29
Distributions payable - June	**46**	**1.77**	17	0.63
	154	**5.74**	83	2.95

The component of the final distribution for the year which was unpaid at the reporting date is shown in the statement of financial position.

6 Receivables

Receivables may include GST RITC, application monies, interest, dividends, trust distributions and other income accrued and unsettled trade purchases. They are recognised when the right to receive payment is established and are generally recovered within 30 days. The Trust measures expected credit losses using a lifetime expected loss allowance. Given the nature of the Trust's receivables there has been no allowance for expected credit losses recorded.

As at 30 June	**2019**	2018
	$'000	$'000
Distributions receivable	**65**	40
Applications receivable	**154**	-
Interest receivable	**2**	1
Outstanding trade settlements	**336**	85
Dividends receivable	**189**	153
GST receivable	**8**	5
	754	284

7 Financial assets at fair value through profit or loss

As at 30 June		**2019**	2018
	Notes	**$'000**	$'000
Derivatives	8	**-**	1
Equity securities		**39,165**	22,176
Listed unit trusts		**4,309**	2,170
Total financial assets at fair value through profit or loss		**43,474**	24,347

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in notes 11 and 12 respectively.

8 Derivative financial instruments

In the normal course of business, the Trust enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Trust's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Trust against a fluctuation in market values or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Trust.

The Trust holds the following derivative instruments:

(a) Futures

A future is a contractual obligation to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates at a future date at a specified price, established in an organised financial market.

(b) Options

An option is a contractual arrangement under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of securities or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of future securities price risk. The Trust is exposed to credit risk on purchased options to the extent of their carrying amount, which is their fair value. Options are settled on a gross basis.

As at 30 June 2019		**Fair values**	
	Contract/ notional value	**Assets**	**Liabilities**
	$'000	**$'000**	**$'000**
Long Positions			
Futures	328	-	-
Options	3	-	-
	331	-	-

8 Derivative financial instruments (continued)

As at 30 June 2018	Contract/ notional value	Fair values Assets	Fair values Liabilities
	$'000	$'000	$'000
Long Positions			
Futures	307	-	-
Options	29	1	-
	336	1	-

An overview of the risk exposures and fair value measurements relating to derivative financial instruments are included in notes 11 and 12 respectively.

9 Payables

Payables may include redemptions payable, accrued expenses and unsettled purchases of financial instruments which are unpaid by the Trust at the reporting date. Amounts are generally paid within 30 days.

As at 30 June	**2019**	2018
	$'000	$'000
Amounts owing to the Responsible Entity	**37**	21
Outstanding trade settlements	**1,273**	206
	1,310	227

10 Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. As at 30 June 2019 there are no financial assets and financial liabilities that have been offset in the statement of financial position (2018: $Nil). As at 30 June 2019, the Trust has no netting arrangements which if applied would have a material impact on the disclosure of financial assets and liabilities.

11 Financial risk management

(a) Overview

The Trust's activities can expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Trust's overall risk management program focuses on ensuring compliance with the Trust's governing documents and seeks to maximise the returns derived for the level of risk to which the Trust is exposed. The Trust may use derivative financial instruments to alter certain risk exposures. The Responsible Entity is responsible for identifying and controlling the risks that arise from these financial instruments.

The allocation of assets between the various types of financial instruments is determined by the Trust's Asset Manager who manages the Trust's assets to achieve the Trust's investment objectives.

Divergence from target allocations and the composition of the assets is monitored on a regular basis.

11 Financial risk management (continued)

(a) Overview (continued)

The Responsible Entity has a Risk Management Strategy in place for managing risk and the key elements of the Risk Management Framework ("RMF"). The risks covered by the RMF include, but are not limited to, financial risks, for example: market, investment, pricing risks, funding, liquidity and counterparty risk; as well as regulatory, strategic and operational risks. The key elements for managing these risks include:

- Documented policies and procedures;
- Post trade investment compliance monitoring by teams not involved in the dealing and investment management activity;
- Segregation of the dealing and investment management function from the investment administration and settlement function;
- Independently sourced valuations for securities;
- A risk and compliance team and Responsible Entity management team with separate reporting lines;
- Clearly defined reporting lines and accountability for managing risks;
- Clearly defined responsibility for maintaining the RMF and monitoring compliance with it; and
- Oversight of risk management activity and the risk profile of the business by the Board of the Responsible Entity and various risk and compliance and committees that the Responsibility Entity, and its ultimate parent, have established.

As part of its Risk Management Strategy, the Trust may use derivatives including exchange traded derivatives, to manage exposures resulting from changes in index prices, equity risks and exposures arising from forecast transactions.

(b) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Trust's income or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The Trust is exposed to market risks influencing investment valuations. The Trust may utilise derivatives to manage this risk.

(i) Price risk

Price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Part (c) below sets out how this component of price risk is managed and measured. Investments are classified in the statement of financial position at fair value through profit or loss.

As the majority of the Trust's investments are carried at fair value with fair value changes through profit or loss, changes in market conditions will directly affect net investment income.

The Asset Manager mitigates this price risk through diversification and a rigorous selection of securities and other financial instruments within specified limits as disclosed in the Trust's governing documents. Price risk mainly arises from the possible change in the fair value of the Trust's equity holdings. Price risk sensitivity on the Trust's equity holdings is disclosed in part (c) of this note. The analysis assumes the price of these investments increased by 10% (2018: 10%) or decreased by 10% (2018: 10%).

Daily monitoring of trade restrictions and derivative exposure against limits is undertaken with any breach of these limit restrictions reported.

11 Financial risk management (continued)

(b) Market risk (continued)

(ii) Foreign exchange risk

Trusts that invest in international assets are exposed to foreign exchange risk. Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Asset Managers may enter into derivatives contracts (such as forwards, swaps, options and futures) through approved foreign exchange dealers to minimise risk. However, the use of these contracts must be consistent with the investment strategy and restrictions of the Trust, and agreed acceptable level of foreign exchange risk.

The Trust holds no direct investment in international assets hence foreign exchange risk is not considered to be a significant risk to the Trust.

(iii) Cash flow and fair value 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.

Interest rate risk is not considered to be a significant risk to the Trust as the majority of the Trust's financial instruments are non-interest bearing with only cash and cash equivalents being directly subject to interest rate risk.

(c) Summarised sensitivity analysis

The following table summarises the sensitivity of the Trust's operating profit and net assets attributable to unitholders to applicable market risks. The possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in interest rates, foreign exchange rates and historical correlation of the Trust's investments with the relevant benchmark, which is the S&P/ASX 300 Accumulation Index. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market shocks resulting from changes in the performance of the economies, markets and securities in which the Trust invests. As a result, historic variations in risk variables are not a definitive indicator of future variations in the risk variables.

	Impact on operating profit/Net assets attributable to unitholders	
	Price risk	
	-10%	**+10%**
	$'000	**$'000**
30 June 2019	**(4,358)**	**4,499**
30 June 2018	(2,409)	2,441

(d) Credit risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Trust to incur a financial loss.

Credit risk is not considered to be a significant risk to the Trust as the Trust does not hold any direct investments in debt securities or have significant receivables.

(e) Liquidity risk

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

The Trust's governing documents allow for redemptions of units. The Trust is therefore exposed to a liquidity risk of meeting unitholders' redemptions at any time.

11 Financial risk management (continued)

(e) Liquidity risk (continued)

This risk is controlled through the Trust investing the majority of its assets in investments that are traded in an active market and investing only a limited proportion of its assets in investments not actively traded on a stock exchange.

The Trust's investments are considered to be readily realisable.

The investment management process includes the consideration of liquidity, both in terms of market quality and cash flow. In asset construction, securities/investments (including derivatives) are only purchased that meet investment criteria and this includes the assessment of saleability in different market conditions. Before entering into a transaction, consideration is given to (not limited to):

- whether the purpose of the investment is consistent with the investment strategy of the Trust;
- the ease of selling the security should market conditions change unfavourably;
- whether there are sufficient assets to cover the underlying liabilities of that transaction; and
- the overall liquidity level for the Trust.

Under the terms of its Constitution, the Trust has the ability to manage liquidity risk by delaying redemptions to unitholders, if necessary, until the funds are available to pay them.

Maturity analysis for financial liabilities

Financial liabilities of the Trust comprise trade and other payables, distributions payable and net assets attributable to unitholders. Trade and other payables and distributions payable have no contractual maturities but are typically settled within 30 days.

12 Fair value measurement

All financial assets and financial liabilities included in the statement of financial position are carried at fair value.

In accordance with AASB 13 *Fair Value Measurement* the Trust is required to disclose fair value measurements by level using the fair value hierarchy. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

(a) Fair value in an active market (level 1)

The fair values of financial assets and liabilities traded in active markets are based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices at the reporting date, while financial liabilities are priced at current offer prices.

The quoted market price used for financial assets held by the Trust is the current bid price; the appropriate quoted market price for financial liabilities is the current asking price. When the Trust holds derivatives with offsetting market risks, it uses mid-market prices as a basis for establishing fair value for the offsetting risk positions and applies this bid or asking price to the net open position, as appropriate.

(b) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair values of financial assets and liabilities that are not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of other substantially similar instruments, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

12 Fair value measurement (continued)

(b) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the reporting date applicable for an instrument with similar terms and conditions. For other pricing models, inputs are based on market data at the end of the reporting period.

The fair values of derivatives that are not exchange traded are estimated at the amount that the Trust would receive or pay to terminate the contract at reporting date taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date. The fair value of an option contract is determined by applying the Black Scholes option valuation model.

Investments in other unlisted unit trusts are recorded at the redemption value per unit as reported by the managers of such trusts.

The tables below set out the Trust's financial assets and liabilities measured at fair value according to the fair value hierarchy.

30 June 2019

	Level 1	**Level 2**	**Level 3**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets				
Options	**-**	**-**	**-**	**-**
Equity securities	**39,165**	**-**	**-**	**39,165**
Listed unit trusts	**4,309**	**-**	**-**	**4,309**
Total	**43,474**	**-**	**-**	**43,474**

30 June 2018

	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Financial assets				
Options	1	-	-	1
Equity securities	22,176	-	-	22,176
Listed unit trusts	2,170	-	-	2,170
Total	24,347	-	-	24,347

13 Related party transactions

(a) Responsible Entity

The Responsible Entity of Alphinity Sustainable Share Fund is Fidante Partners Limited whose immediate parent company is Challenger Funds Management Holdings Pty Limited and ultimate parent company is Challenger Limited.

13 Related party transactions (continued)

(b) Key management personnel

(i) Directors

Key management personnel includes persons who were Directors of Fidante Partners Limited at any time during the financial year and up to the date of the report as follows:

A Bell (appointed 24 October 2018)
A Bofinger (appointed 1 July 2018)
A Collins (resigned 21 September 2018)
A Murphy
I Saines
A Tobin

(ii) Other key management personnel

The Responsible Entity is considered to be the key management personnel with authority for the strategic direction and management of the Trust.

The Asset Manager, Alphinity Investment Management Pty Limited, is a related party to the Trust as it is a member of the same group as the Responsible Entity.

(c) Key management personnel unitholdings

At 30 June 2019 no key management personnel held units in the Trust (2018: Nil).

(d) Key management personnel compensation

No amount was paid by the Trust directly to the Directors of the Responsible Entity.

Compensation is paid to the Responsible Entity in the form of fees and is disclosed below.

(e) Responsible Entity's fees and other transactions

Under the terms of the Trust’s Constitution, the Responsible Entity is entitled to receive management fees, calculated by reference to the average daily net assets (excluding net assets attributable to unitholders). As at 30 June 2019 these rates are as follows:

(i) 0.95% (2018: 0.95%) of Class A; and
(ii) 0.95% (2018: 0.95%) of Class B (Closed).

These fees are inclusive of GST, net of RITC available to the Trust per annum.

All related party transactions are conducted on normal commercial terms and conditions. The transactions during the year and amounts payable at year end between the Trust and the Responsible Entity were as follows:

	2019	2018
	$	$
Management fees for the year paid by the Trust to the Responsible Entity	**297,591**	247,567
Aggregate amounts payable to the Responsible Entity at the end of the reporting period	**37,053**	20,639

14 Reconciliation of profit to net cash inflow from operating activities

(a) Reconciliation of profit to net cash inflow from operating activities

For the year ended 30 June	2019 $'000	2018 $'000
Net profit attributable to unitholders	**5,392**	3,915
Net gains on financial instruments at fair value through profit or loss	**(4,242)**	(3,376)
Participation in dividend and distribution reinvestment plans	**-**	(5)
Proceeds from sale of derivatives	**49**	33
Purchase of derivatives	**(25)**	-
Net change in receivables and other assets	**(65)**	(40)
Net change in payables and other liabilities	**16**	3
Net cash inflow from operating activities	**1,125**	530

(b) Components of cash and cash equivalents

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the statement of financial position as follows:

Cash at bank	**2,554**	702
Cash and cash equivalents	**2,554**	702

(c) Non-cash investing and financing activities

Reinvestment of unitholder distributions	**140**	89
Participation in dividend and distribution reinvestment plans	**-**	5

15 Events occurring after the reporting period

No significant events have occurred since the reporting date which would impact on the financial position of the Trust as at 30 June 2019 or on the results and cash flows of the Trust for the year ended on that date.

16 Contingent assets and liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2019 (2018: $Nil).

Directors' declaration

In the opinion of the Directors of the Responsible Entity:

(a) the financial statements and notes set out on pages 8 to 26 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Trust's financial position as at 30 June 2019 and of its performance for the financial year ended on that date;

(b) the financial statements and notes comply with International Financial Reporting Standards as disclosed in note 2(a); and

(c) there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

On behalf of the Board of Fidante Partners Limited.

A Bell
Director

Sydney
12 September 2019

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

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

Independent Auditor's Report to the unitholders of Alphinity Sustainable Share Fund

Opinion

We have audited the financial report of Alphinity Sustainable Share Fund (the "Trust"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in unitholder funds and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Trust is in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the Trust's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our 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 Report section of our report. We are independent of the Trust in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The directors of Fidante Partners Limited as the Responsible Entity of the Trust (the "Responsible Entity") are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the 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 Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust'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 report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Ernst & Young

Ernst & Young

R Da Silva

Rita Da Silva
Partner
Sydney
12 September 2019

Directory

Responsible Entity
Fidante Partners Limited
ABN 94 002 835 592
AFSL 234668

Registered office and principal place of business
Level 2
5 Martin Place
Sydney NSW 2000

Custodian
Citigroup Pty Limited
Level 23
2 Park Street
Sydney NSW 2000

Auditor
For the Responsible Entity and the Trust
Ernst & Young
200 George Street
Sydney NSW 2000

Asset Manager
Alphinity Investment Management Pty Limited
Level 12
179 Elizabeth Street
Sydney NSW 2000