
Wilson Asset Management Leaders Fund

ARSN 663 806 228

Condensed Financial Report

For the half-year ended 31 December 2023

Wilson
Asset Management
Making a difference



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Condensed financial report For the half-year ended 31 December 2023

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This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed financial report is to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made in respect of Wilson Asset Management Leaders Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This condensed financial report covers Wilson Asset Management Leaders Fund as an individual entity.

The Responsible Entity of Wilson Asset Management Leaders Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, VIC 3000.

Directors' report

The directors of Equity Trustees Limited, the Responsible Entity of Wilson Asset Management Leaders Fund (the "Fund"), present their report together with the condensed financial statements of the Fund for the half-year ended 31 December 2023. These condensed financial statements have been prepared as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The Fund was constituted on 8 November 2022, registered with the Australian Securities and Investments Commission on 25 November 2022 and commenced operations on 6 November 2023.

The principal activity of the Fund is to invest in large-cap companies listed predominately on the ASX within the S&P/ASX 200 Index, in accordance with its investment strategy, investment return objective and strategic asset allocation as set out in the current Product Disclosure Statement and in accordance with the provisions of the Fund's Constitution.

The Fund did not have any employees during the half-year ended 31 December 2023.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2023.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Wilson Asset Management (International) Pty Limited
Custodian and Administrator	Citigroup Pty Limited
Statutory Auditor	Pitcher Partners Sydney

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the half-year and up to the date of this report:

Philip D Gentry	Chairman (resigned 6 June 2024)
Michael J O'Brien	Chairman (appointed 6 June 2024)
Russell W Beasley	
Mary A O'Connor	
David B Warren	
Andrew P Godfrey	(appointed 1 May 2024)

Review and results of operations

During the half-year, the Fund invested its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 6.3% (net of fees) for the half-year ended 31 December 2023. The Fund's benchmark, the S&P/ASX 200 Accumulation Index returned 9.5% for the same period.

The Fund's performance is calculated based on the percentage change in the Fund's net asset value (NAV) price over the period (with any distributions paid during the period reinvested). Returns are disclosed after fees and expenses.

Directors' report (continued)

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

	Half-year ended	
	31 December 2023	25 November 2022 to 31 December 2022
	\$	\$
Profit/(loss) before finance costs attributable to unitholders for the half-year	445,456	–

There were no distributions declared for the half-year ended 31 December 2023.

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2023.

Matters subsequent to the end of financial period

Subsequent to 31 December 2023, the Fund declared a distribution effective 30 June 2024.

Andrew P Godfrey was appointed as a director of Equity Trustees Limited on 1 May 2024.

Philip D Gentry resigned as a director of Equity Trustees Limited on 6 June 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may have a material effect on:

- (i) the operations of the Fund in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the state of affairs of the Fund in future financial periods.

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 4.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Andrew P Godfrey
 Director

Melbourne
 25 September 2024

**Auditor's Independence Declaration
To the Directors of Equity Trustees Limited
As Responsible Entity of Wilson Asset Management Leaders Fund
ARSN 663 806 228**

In relation to the independent auditor's review of Wilson Asset Management Leaders Fund for the half year ended 31 December 2023, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 Code of Ethics for Professional Accountants (*including Independence Standards*).



Richard King
Partner

Pitcher Partners
Sydney

25 September 2024

Wilson Asset Management Leaders Fund
Condensed statement of comprehensive income
For the half-year ended 31 December 2023

Condensed statement of comprehensive income

		Half-year ended	
		25 November 2022 to 31 December 2022	31 December 2022
	Notes	\$	\$
Income			
Interest income		453	—
Dividend and distribution income		15,044	—
Net gains/(losses) on financial instruments at fair value through profit or loss		447,774	—
Total income/(loss)		463,271	—
Expenses			
Transaction costs		8,281	—
Management fees and costs		9,534	—
Total expenses		17,815	—
Profit/(loss) before finance costs attributable to unit holders for the half-year		445,456	—
Finance costs attributable to unit holders			
Distributions to unit holders	6	—	—
(Increase)/decrease in net assets attributable to unit holders	5	(445,456)	—
Profit/(loss) for the half-year		—	—
Other comprehensive income		—	—
Total comprehensive income for the half-year		—	—

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

Condensed statement of financial position

		As at 31 December 2023	30 June 2023
	Notes	\$	\$
Assets			
Cash and cash equivalents		238,506	—
Receivables	7	83,025	—
Financial assets at fair value through profit or loss	4	8,353,970	—
Total assets		8,675,501	—
Liabilities			
Payables	8	64,673	—
Total liabilities		64,673	—
Net assets attributable to unit holders - liability	5	8,610,828	—

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

Wilson Asset Management Leaders Fund
Condensed statement of changes in equity
For the half-year ended 31 December 2023

Condensed statement of changes in equity

	Half-year ended	
	31 December	25 November
	2023	2022 to
Notes	\$	31 December 2022 \$
Comprehensive income for the half-year		
Profit/(loss) for the half-year	—	—
Other comprehensive income	—	—
Total comprehensive income	<u>—</u>	<u>—</u>
Transactions with unit holders		
Applications	—	—
Redemptions	—	—
Distribution paid and payable	—	—
Total transactions with unit holders	<u>—</u>	<u>—</u>
Total equity at the end of the half-year*	<u>—</u>	<u>—</u>

*Under Australian Accounting Standards, net assets attributable to unit holders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial period.

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes with reference to Notes 1, 2 and 5.

Condensed statement of cash flows

	Half-year ended	
	31 December	25 November
	2023	2022 to
	\$	31 December
	\$	2022
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	2,985,089	–
Payments for purchase of financial instruments at fair value through profit or loss	(10,907,899)	–
Dividends and distributions received	3,772	–
Transaction costs paid	(8,281)	–
Interest received	453	–
Net cash inflow/(outflow) from operating activities	(7,926,866)	–
Cash flows from financing activities		
Proceeds from applications by unit holders	8,165,372	–
Net cash inflow/(outflow) from financing activities	8,165,372	–
Net increase/(decrease) in cash and cash equivalents	238,506	–
Cash and cash equivalents at the beginning of the half-year	–	–
Effects of foreign currency exchange rate changes on cash and cash equivalents	–	–
Cash and cash equivalents at the end of the half-year	238,506	–

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

Notes to the condensed financial statements

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1 General information

These condensed financial statements cover Wilson Asset Management Leaders Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 8 November 2022 and will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The condensed financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in large-cap companies listed predominately on the ASX within the S&P/ASX 200 Index, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The condensed financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

2 Basis of preparation

These condensed financial statements have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors are satisfied that the Fund has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Material accounting policies

(i) New and amended standards adopted by the Fund

The Fund has applied the following standards and amendments for the first time for its financial period beginning 1 July 2023:

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].*

The amendments have had an impact on the Fund's disclosures of accounting policies, including the requirement to disclose 'material accounting policy information' rather than 'significant' accounting policies, but not on the measurement, recognition or presentation of any items in the Fund's condensed financial statements.

None of the other standards, interpretations or amendments to existing standards that are effective for the first time for the financial period beginning 1 July 2023 have a material impact on the amounts recognised in the prior periods or will affect the current or future years.

(ii) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2024 and have not been early adopted in preparing these condensed financial statements.

None of these are expected to have a material effect on the condensed financial statements of the Fund.

3 Fair value measurement

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 4).

The Fund has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- 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); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

(a) Valuations using level 1 inputs

The fair value of financial instruments traded in active markets such as listed equity are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2023.

As at 31 December 2023	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Listed equities	7,910,928	–	–	7,910,928
Listed unit trusts	443,042	–	–	443,042
Total financial assets	<u>8,353,970</u>	<u>–</u>	<u>–</u>	<u>8,353,970</u>

(c) Transfer between levels

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

There were no transfers between levels in the fair value hierarchy at the end of the reporting period (30 June 2023: nil).

(d) Financial instruments not carried at fair value

The financial instruments not measured at fair value through the profit and loss include:

3 Fair value measurement (continued)

(d) Financial instruments not carried at fair value (continued)

- Cash and cash equivalents, balances due from/to brokers and receivables/payables under sale and repurchase agreements. These are short-term financial assets and financial liabilities whose carrying values approximate fair value, because of their short-term nature and the high credit quality of counterparties; and
- Net assets attributable to unit holders, as the Fund routinely redeems and issues units at an amount equal to the proportionate share of the Fund's net assets at the time of redemption, calculated on a basis consistent with that used in these condensed financial statements. Accordingly, the carrying value of net assets attributable to unit holders approximates their fair value. Any difference is not material in the current period or prior period.

The carrying value of cash and cash equivalents, receivables and payables are to approximate their fair values due to their short-term nature.

4 Financial assets at fair value through profit or loss

	31 December 2023 \$	As at	30 June 2023 \$
Listed equities	7,910,928		–
Listed unit trusts	443,042		–
Total financial assets at fair value through profit or loss	8,353,970		–

An overview of the fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 to the condensed financial statements.

5 Net assets attributable to unit holders - liability

The Fund's units are classified as a liability as they do not meet the definition of a financial instrument to be classified as equity.

During the reporting period, the Fund issued three classes of units, named the Wilson Asset Management Leaders Fund Classes A, C and Z, under separate Product Disclosure Statements. Following the launch of three classes, the Fund no longer satisfied the criteria under AASB 132 *Financial Instruments: Presentation* that would allow it to classify net assets attributable to unit holders as equity. Effective from 1 July 2023, the Fund's net assets attributable to unit holders have been reclassified from equity to liability.

As a result, the Fund's distributions to unit holders and (increase)/decrease in net assets attributable to unit holders have been classified as finance costs in the condensed statement of comprehensive income.

5 Net assets attributable to unit holders - liability (continued)

Movements in the number of units and net assets attributable to unit holders during the half-year were as follows:

	Half-Year Ended		Half-Year Ended	
	31 December 2023	25 November 2022 to 31 December 2022	31 December 2023	25 November 2022 to 31 December 2022
	Units	Units	\$	\$
Class A				
Applications	2,101,550	–	2,110,001	–
Increase/(decrease) in net assets attributable to unit holders	–	–	128,501	–
Closing balance	2,101,550	–	2,238,502	–
Class C				
Applications	19,961	–	20,001	–
Increase/(decrease) in net assets attributable to unit holders	–	–	1,053	–
Closing balance	19,961	–	21,054	–
Class Z				
Applications	6,023,323	–	6,035,370	–
Increase/(decrease) in net assets attributable to unit holders	–	–	315,902	–
Closing balance	6,023,323	–	6,351,272	–
Closing balance			8,610,828	–

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

There are three separate classes of units. Each unit within the same class has the same rights as all other units within that class.

Capital risk management

The Fund considers its net assets attributable to unit holders as capital, notwithstanding that net assets attributable to unit holders are classified as a liability. The amount of net assets attributable to unit holders can change significantly on a monthly basis as the Fund is subject to monthly applications and redemptions at the discretion of unit holders.

5 Net assets attributable to unit holders - liability (continued)

Monthly applications and redemptions are reviewed relative to the liquidity of the Fund's underlying assets on a monthly basis by the Responsible Entity. Under the terms of the Fund's Constitution, the Responsible Entity has the discretion to reject an application for units and to defer or adjust redemption of units if the exercise of such discretion is in the best interests of unit holders.

6 Distributions to unit holders

There were no distributions declared for the half-year ended 31 December 2023 and 31 December 2022.

7 Receivables

	31 December	As at	30 June
	2023		2023
	\$		\$
Distributions receivable	11,272		–
Other receivables	5,278		–
Unsettled trades	66,475		–
Total receivables	83,025		–

8 Payables

	31 December	As at	30 June
	2023		2023
	\$		\$
Management fees and costs payable	14,812		–
Unsettled trades	49,861		–
Total payables	64,673		–

9 Events occurring after the reporting period

Subsequent to 31 December 2023, the Fund declared a distribution effective 30 June 2024.

No other significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2023 or on the results and cash flows of the Fund for the half-year ended on that date.

10 Contingent assets and liabilities and commitments

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2023 and 30 June 2023.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 5 to 14 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 Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date.
- (b) There are reasonable grounds to believe that the Fund 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 the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Andrew P Godfrey
Director

Melbourne
25 September 2024

**Independent Auditor's Report
To the Unitholders of Wilson Asset Management Leaders Fund
ARSN 663 806 228**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the condensed half-year financial report of Wilson Asset Management Leaders Fund ("the Fund") which comprises the condensed statement of financial position as at 31 December 2023, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Wilson Asset Management Leaders Fund does not comply with the *Corporations Act 2001* including:

- a) giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Fund 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 (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Fund, would be in the same terms if given to the directors as at the time of this auditor's review report.

**Independent Auditor's Report
To the Unitholders of Wilson Asset Management Leaders Fund
ARSN 663 806 228**

Responsibility of the Directors for the Financial Report

The Directors of the Responsible Entity of the Fund 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 of Responsible Entity, determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Richard King
Partner



Pitcher Partners
Sydney

25 September 2024



Wilson Asset Management

Level 26, Governor Phillip Tower
1 Farrer Place, Sydney NSW 2000
+ 61 2 9247 6755
info@wilsonassetmanagement.com.au
wilsonassetmanagement.com.au
