360 CAPITAL INVESTMENT TRUST

Financial Report
For the year ended 30 June 2021

Comprising 360 Capital Investment Trust ARSN 104 552 598 and its controlled entities.

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The Directors of 360 Capital FM Limited (CFML) (ABN 15 090 664 396) (AFSL No 221474), the Responsible Entity of 360 Capital Investment Trust (Trust) present their report, together with the financial report of 360 Capital Investment Trust and its controlled entities (consolidated entity) for the year ended 30 June 2021.

The consolidated entity forms part of the stapled entity, 360 Capital Group (Stapled Group or Group) (ASX: TGP) comprising 360 Capital Group Limited (Company) and its controlled entities and 360 Capital Investment Trust and its controlled entities.

Directors
The following persons were Directors of 360 Capital FM Limited during the year and up to the date of this report unless otherwise stated:

David van Aanholt (Chairman)
Tony Robert Pitt
William John Ballhausen
Graham Ephraim Lenzner (retired 31 March 2021)
Andrew Graeme Moffat

Principal activities

The Group is a diversified investment and funds management business whose purpose is to be a leading Australian investor and fund manager of alternative assets, who partners with stakeholders to identify, invest and realise on opportunities. The Group's investment strategies which make up its alternative assets management and investment strategy are:

- Real Assets
- Private Equity
- Credit

Operating and financial review

The key financial highlights for the year ended 30 June 2021 include:

- Statutory net profit attributable to unitholders of $1.7 million (2020: $4.3 million)
- Operating profit[1] of $1.5 million (2020: $6.4 million)
- Statutory Earnings per Unit (EPU) of 0.8 cpu (2020: 2.0 cpu)
- Distributions per Unit (DPU) of 4.0 cpu (2020: 4.0 cpu)

The key operating achievements for the year ended 30 June 2021 include:

- Repayment of the $19.8 million childcare loan
- Redeemed investment in 360 Capital Active Value Equity Fund for $3.6 million

1. Operating profit is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for non-operating items. The Responsible Entity considers operating profit to reflect the core earnings of the Trust and it is used as a guide to assess the Trust's ability to pay distributions to unitholders. The operating profit information above has not been subject to any specific audit procedures by the Trust's auditor but has been extracted from Note 1: Segment reporting

Operating and financial review (continued)

Investment in 360 Capital Active Value Equity Fund
During the year, 360 Capital Active Value Equity Fund (CAVEF) redeemed all of the units held by the consolidated entity for consideration of $3.6 million. The results of CAVEF are consolidated into the financial statements of the Trust up to the final redemption date of 24 September 2020. The details of the deconsolidation can be found in Note 16.

Investment in 360 Capital Enhanced Income Fund (ASX:TCF)
The Trust acquired a 19.9% stake in the Australian Enhanced Income Fund (ASX: AYF) in July and August 2020. On 22 July 2020, 360 Capital Group put forward a proposal to AYF unitholders to remove the manager, Elstree Investment Management Limited and appoint 360 Capital FM Limited as responsible entity of the fund. On 9 September 2020, unitholders of AYF formally approved the change of responsible entity to 360 Capital FM Limited and the name of the fund changed to 360 Capital Enhanced Income Fund (ASX: TCF).

TCF processed a number of redemptions totalling $11.2 million during the period and completed a $12.1 million capital raise in December 2020. As a result, the Trust's ownership percentage of TCF fluctuated throughout the year to 37.1% on 9 September 2020 and up to 45.3% in December, before being diluted down to below 20% as a result of the capital raise on 17 December 2020. Accordingly, TCF is equity accounted for the period from 9 September 2020 to 17 December 2020 and held at fair value through profit or loss thereafter.

Impact of COVID-19 on the consolidated entity

The World Health Organization declared a global pandemic in March 2020 as a result of the novel coronavirus (COVID-19). The consolidated entity has considered the impact of COVID-19 in preparing its financial report for the year. Although vaccination efforts are already underway, the effects of the pandemic are continuing to unfold, and the extent of future social, medical and economic impacts worldwide are unknown.

The immediate financial impact of COVID-19 on the Trust's holdings have been limited, and the Trust has not made any provisions in respect of COVID-19. The Trust considers risks associated with COVID-19 as part of its investment assessment and monitoring program.

Summary and Outlook

The Group is an investor and fund manager of alternative assets which partners with its stakeholders to identify, invest and realise on opportunities. The Group intends to continue to execute on its strategy across its three segments representing real assets, private equity and credit.

Distributions

Distributions declared by 360 Capital Investment Trust directly to unitholders during the year were as follows:

	30 June 2021 $'000	30 June 2020 $'000
1.0 cent per stapled security paid on 24 October 2019	-	2,308
1.0 cent per stapled security paid on 23 January 2020	-	2,309
1.0 cent per stapled security paid on 23 April 2020	-	2,309
1.0 cent per stapled security paid on 28 July 2020	-	2,309
1.0 cent per stapled security paid on 27 October 2020	2,295	-
1.0 cent per stapled security paid on 27 January 2021	2,295	-
1.0 cent per stapled security paid on 28 April 2021	2,299	-
1.0 cent per stapled security paid on 28 July 2021	2,300	-
Total	**9,189**	9,235

Significant changes in state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the year under review other than those listed above or elsewhere in the Directors' report.

Likely developments and expected results of operations

The Group will continue to focus on implementing its expanded strategy of managing and investing in alternative assets.

Events subsequent to balance date

Post balance date, the Group announced that as part of its rationalisation of investment strategies, it has wound up 360 Capital Active Value Equity Fund, sold Ralton Asset Management and has commenced a formal sale process on its co-investment and management rights to its Digital Infrastructure interests, including Global Data Centre Group (ASX:GDC) after receiving numerous approaches to acquire various interests in the Group's Digital Infrastructure interests. This process may take some time and there is no certainty that a transaction will occur.

No other circumstances have arisen since the end of the year which have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Environmental Issues

The consolidated entity complied with all applicable environmental regulations during the course of the financial year.

Buy back arrangement

The consolidated entity is not under any obligation to buy back, purchase or redeem units from stapled securityholders. During the year, the consolidated entity did not buy back or cancel any units (2020: Nil).

Distribution Reinvestment Plan

The Group has a Distribution Reinvestment Plan (DRP) which was not active during the year ended 30 June 2021.

Options

During the year options were issued under the Employee Incentive Plan (EIP), no other options over issued shares or interests in the Group were granted during or since the end of the financial year, and there were no other options outstanding at the date of this report.

Fees paid to and interests held in the Fund by the responsible entity or its associates

Fees paid to the responsible entity and its associates out of Fund property during the year are disclosed in Note 22 to the financial statements.

The number of interests held in the Fund by the responsible entity, its associates, or directors is detailed in Note 22 to the financial statements.

Number of units on issue

As at 30 June 2021 the number of units on issue in the Fund was 218,997,551 (30 June 2020: 218,372,645). During the year 624,906 units in the Fund were issued at an average price of $0.93 (30 June 2020: Nil) as part of the scrip consideration for an off-market takeover offer.

Indemnification and insurance of Officers and Directors

During or since the end of the financial year, the Responsible Entity has paid insurance premiums to insure each of the aforementioned Directors as well as Officers of the Responsible Entity of the consolidated entity against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as Officers of the Responsible Entity, other than conduct involving a wilful breach of duty in relation to the Responsible Entity. Insurance premiums are paid out of 360 Capital Limited and not out of the assets of the consolidated entity.

The Responsible Entity has not otherwise, during or since the end of the financial year indemnified or agreed to indemnify an Officer of the Responsible Entity.

Indemnification of auditors

To the extent permitted by law, the Responsible Entity has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Non-audit services

Disclosed in Note 20 were the non-audit services provided by the consolidated entity's auditors. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Auditor's independence declaration

The auditor's independence declaration required under Section 307C of the Corporations Act 2001 is set out on page 6 and forms part of the Directors' report for the year ended 30 June 2021.

Rounding of amounts

The Trust is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the annual financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

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

David van Aanholt
Chairman

Tony Robert Pitt
Managing Director

Sydney
26 August 2021

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Auditor's Independence Declaration to the Directors of 360 Capital FM Limited as Responsible Entity for 360 Capital Investment Trust

As lead auditor for the audit of the financial report of 360 Capital Investment Trust for the financial year ended 30 June 2021, 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.

This declaration is in respect of 360 Capital Investment Trust and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Douglas Bain

Douglas Bain
Partner
26 August 2021

360 Capital Investment Trust
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
Revenue from continuing operations			
Rental from investment properties		-	306
Distributions from investments	3	154	124
Finance revenue		357	2,596
Total revenue from continuing operations		**511**	3,026
Other income			
Share of equity accounted profits	7	3,040	2,557
Net gain on disposal of financial assets		49	-
Net gain on fair value of financial assets		143	-
Net gain on deconsolidation of controlled entity		-	122
Foreign exchange gains		-	97
Reversal of provision for loss	5	10	-
Total other income		**3,242**	2,776
Total revenue and other income from continuing operations		**3,753**	5,802
Administration expenses		940	1,024
Finance expenses		-	61
Transaction costs		12	15
Provision for loss		-	10
Net loss on fair value of financial assets		-	89
Net loss on disposal of financial assets		-	139
Net loss on deconsolidation of controlled entity	16	61	-
Profit for the year		**2,740**	4,464
Other comprehensive loss for the year		(1,028)	-
Total comprehensive income for the year		**1,712**	4,464
Total comprehensive income attributable to:			
Profit attributable to unitholders		1,712	4,302
Profit attributable to external non-controlling interests		-	162
Total comprehensive income for the year		**1,712**	4,464
Earnings per unit for profit attributable to unitholders of the consolidated entity		**Cents**	**Cents**
Basic earnings per unit	21	**0.8**	2.0
Diluted earnings per unit	21	**0.7**	1.9

The above consolidated statement of profit or loss and other comprehensive income should be read with the accompanying notes.

360 Capital Investment Trust
Consolidated statement of financial position
As at 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
Current assets			
Cash and cash equivalents	11	2,968	69,479
Receivables	4	730	1,958
Loans receivable	5	-	19,790
Financial assets at fair value through profit or loss	6	-	1,611
Due from related entities	22	95,811	15,638
Total current assets		**99,509**	**108,476**
Non-current assets			
Financial assets at fair value through profit or loss	6	3,964	2,226
Investments equity accounted	7	66,556	66,536
Total non-current assets		**70,520**	**68,762**
Total assets		**170,029**	**177,238**
Current liabilities			
Trade and other payables	8	120	116
Distribution payable	9	2,300	2,309
Total current liabilities		**2,420**	**2,425**
Total liabilities		**2,420**	**2,425**
Net assets		**167,609**	**174,813**
Equity			
Issued capital - trust units	10	195,395	194,877
Other capital reserves		(1,937)	-
Accumulated losses		(25,849)	(20,263)
Total equity attributable to unitholders		**167,609**	**174,614**
External non-controlling interest		-	199
Total equity		**167,609**	**174,813**

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

360 Capital Investment Trust
Consolidated statement of changes in equity
For the year ended 30 June 2021

	Note	Issued capital $'000	Other capital reserves $'000	Accumulated losses $'000	Total equity attributable to unitholders $'000	External non-controlling interest $'000	Total equity $'000
Balance at 1 July 2020		194,877	-	(20,263)	174,614	199	174,813
Profit for the year		-	-	2,740	2,740	-	2,740
Comprehensive loss for the year		-	(1,028)	-	(1,028)	-	(1,028)
Transactions with non-controlling interest		-	(909)	863	(46)	(199)	(245)
Non-controlling interest arising on business combination							
Transactions with Unitholders in their capacity as Unitholders							
Issued units - ESP		-	-	-	-	-	-
Issued units - Scrip		527	-	-	527	-	527
Security based payment transaction		-	-	-	-	-	-
Equity raising transaction costs		(9)	-	-	(9)	-	(9)
Distributions	2	-	-	(9,189)	(9,189)	-	(9,189)
		518	-	(9,189)	(8,671)	-	(8,671)
Balance at 30 June 2021		**195,395**	**(1,937)**	**(25,849)**	**167,609**	**-**	**167,609**
Balance at 1 July 2019		194,880	-	(14,593)	180,287	-	180,287
Total comprehensive income for the year		-	-	4,302	4,302	162	4,464
Transactions with non-controlling interest		-	-	(738)	(738)	37	(701)
Issued units - ESP		-		-	-	-	-
Security based payment transaction		-		-	-	-	-
Equity raising transaction costs		(3)		-	(3)	-	(3)
Distributions	2	-	-	(9,235)	(9,235)	-	(9,235)
		(3)	-	(9,235)	(9,237)	-	(9,237)
Balance at 30 June 2020		**194,877**	**-**	**(20,263)**	**174,614**	**199**	**174,813**

The above consolidated statement of changes in equity should be read with the accompanying notes.

360 Capital Investment Trust
Consolidated statement of cash flows
For the year ended 30 June 2021

	Note	30 June 2021 $'000	30 June 2020 $'000
Cash flows from operating activities			
Cash receipts from customers		-	96
Cash payments to suppliers		(941)	(1,102)
Distributions received		3,207	3,341
Finance revenue		438	2,488
Finance expenses		(1)	(63)
Net cash inflows from operating activities	11	**2,703**	4,760
Cash flows from investing activities			
Payments for additions to investment properties		-	(39,024)
Payments for equity accounted investments		-	(11,608)
Payments for financial assets		(3,792)	(27,307)
Proceeds from disposal of financial assets		3,857	8,260
Payments for loans receivable		-	(19,800)
Proceeds from loans receivable		19,800	-
Payment of transaction costs		-	(15)
Net cash inflows/(outflows) from investing activities		**19,865**	(89,494)
Cash flows from financing activities			
Loans to related parties		(80,198)	(20,960)
Repayment from related parties		-	7,500
Proceeds from issue of capital to NCI		527	10,862
Payment of transaction costs to issue capital		(9)	(1,043)
Distributions paid to unitholders		(9,198)	(6,926)
Distributions paid to external non-controlling interests		-	-
Net cash outflows from financing activities		**(88,878)**	(10,567)
Net decrease in cash and cash equivalents		(66,310)	(95,301)
Cash balance on deconsolidation of controlled entities		(201)	-
Cash and cash equivalents at the beginning of the year		69,479	164,780
Cash and cash equivalents at the end of the year	11	**2,968**	69,479

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

Financial Information

This section provides additional information about those individual line items in the financial statements that the directors consider most relevant in the context of the operations of the Group.

Note 1: Segment reporting

The Trust is a single segment for reporting within Australia.

The Chief Operating Decision Maker, being the Managing Director of the Responsible Entity, monitors the performance and results of the Trust at a total Trust level. As a result, the Trust has only one segment in the current year. Operating profit is a financial measure which is not prescribed by AAS and represents the profit under AAS adjusted for non-operating items which management consider to reflect the core earnings of the Trust and is used as a guide to assess the Trust's ability to pay distributions to unitholders.

The information provided is net of non-operating items comprising transaction costs, unrealised fair value adjustments of financial assets and other assets, unrealised foreign exchange gains and losses, impairment adjustments, share of equity accounted profits in excess of distributions received, security-based payments expense and all other non-operating activities.

The following table summarises key reconciling items between statutory profit attributable to the unitholders of the Trust and operating profit.

	30 June 2021 $'000	30 June 2020 $'000
Profit attributable to the unitholders of the Trust	**2,740**	**4,302**
Non-operating items		
Net (gain)/loss on fair value of financial assets	(123)	272
Net (gain)/loss on disposal of financial assets	(49)	-
Share of equity accounted profits, net of distributions received	(1,117)	1,956
Net (gain)/loss on disposal of controlled entity	61	-
Loss allowance/(reversal of loss allowance)	(10)	10
Other items	-	24
Transaction costs	7	-
Foreign exchange gains	-	(135)
Operating profit (profit before non-operating items)	**1,509**	6,429
Weighted average number of units ('000)	218,543	218,373
Operating profit per unit (profit before non-operating items) (EPU) - cents	**0.7**	2.9

Note 2: Distributions

Distributions declared by 360 Capital Investment Trust directly to unitholders during the year were as follows:

	30 June 2021 $'000	30 June 2020 $'000
1.0 cent per stapled security paid on 24 October 2019	-	2,308
1.0 cent per stapled security paid on 23 January 2020	-	2,309
1.0 cent per stapled security paid on 23 April 2020	-	2,309
1.0 cent per stapled security paid on 28 July 2020	-	2,309
1.0 cent per stapled security paid on 27 October 2020	2,295	-
1.0 cent per stapled security paid on 27 January 2021	2,295	-
1.0 cent per stapled security paid on 28 April 2021	2,299	-
1.0 cent per stapled security paid on 28 July 2021	2,300	-
Total	**9,189**	9,235

Note 3: Revenue

Distributions from investments include:

	30 June 2021 $'000	30 June 2020 $'000
360 Capital Enhanced Income Fund	58	-
Intercompany distributions	96	-
Centuria Retail Fund	-	124
	154	124

Note 4: Receivables

Receivables include:

	30 June 2021 $'000	30 June 2020 $'000
Current		
Trade receivables	33	55
Interest income receivable	-	81
Distributions receivable	697	1,822
	730	1,958

a) Expected credit loss
During the year, the consolidated entity made a Nil (2020: Nil) expected credit loss (ECL) provision for general receivables in respect of impairment under AASB 9. All receivables are expected to be received by their contractual payment dates.

b) Fair values
The receivables are carried at amounts that approximate their fair value.

Note 4: Receivables (continued)

c) Credit risk
There is a limited amount of credit risk – refer to Note 14 for more information on the risk management policy of the consolidated entity. As at 30 June 2021, trade receivables of Nil (2020: Nil) were past due but not impaired.

Note 5: Loans receivable

During the year, the Trust's loan receivable to a childcare operator previously carried at amortised value of $19.8 million was repaid in full. Amounts previously provisioned for expected credit losses have been recognised as other income in the current period.

	30 June 2021 $'000	30 June 2020 $'000
Current		
Secured loans – amortised cost	-	19,800
Loss allowance	-	(10)
	-	19,790

Note 6: Financial assets at fair value through profit or loss

	30 June 2021 $'000	30 June 2020 $'000
Current		
Listed securities	-	1,611
Total Current	**-**	**1,611**
Non-current		
Unlisted securities	-	2,226
Listed securities	3,964	-
Total Non-current	**3,964**	**2,226**
Total	**3,964**	**3,837**

During the year, the consolidated entity disposed of its previous portfolio of listed and unlisted securities, and acquired a stake in 360 Capital Enhanced Income Fund (ASX: TCF). Further details of this transaction is available in Note 7.

Movements in the carrying value during the year are as follows:

	30 June 2021 $'000	30 June 2020 $'000
Balance at 1 July	3,837	2,183
Financial assets acquired	3,777	28,657
Financial assets disposed - listed	(1,631)	(7,013)
Financial assets disposed - unlisted	(2,226)	(1,386)
Derecognition of financial assets on deconsolidation	-	(18,376)
Transfers to investments equity accounted	(3,539)	-
Transfers from investments equity accounted	3,603	-
Realised loss on disposal of financial assets	-	(89)
Fair value adjustment of financial assets	143	(139)
Closing balance	**3,964**	**3,837**

Note 7: Investments equity accounted

	30 June 2021 %	30 June 2020 %	30 June 2021 $'000	30 June 2020 $'000
360 Capital Passive REIT	20.2	20.0	23,994	25,531
Global Data Centre Group	33.2	37.9	42,562	41,005
			66,556	66,536

Co-investment interest
The Trust holds a 20.2% interest in the stapled entity 360 Capital REIT (ASX: TOT), with the beneficial interest of 360 Capital Passive REIT units held by 360 Capital Diversified Property Fund and the beneficial interest of 360 Capital Active REIT units held by 360 Capital Property Limited.

Global Data Centre Group
The Trust holds a 33.2% interest in Global Data Centre Group (ASX: GDC), formerly known as 360 Capital Digital Infrastructure Fund (ASX: TDI), at the reporting date. During the year, GDC completed an institutional capital raise which had the impact of diluting the Trust's ownership in GDC.

360 Capital Enhanced Income Fund
The Trust acquired a 19.9% stake in 360 Capital Enhanced Income Fund (ASX:TCF), formerly known as Australian Enhanced Income Fund (ASX:AYF) throughout July and August 2020. The Trust's ownership percentage of TCF fluctuated throughout the year to 37.1% following unitholder redemptions on 9 September 2020 and up to 45.3% in December, before being diluted down to 18.5% as a result of a capital raise on 17 December 2020. Accordingly, TCF is equity accounted for the period from 9 September 2020 to 17 December 2020, and held at fair value through profit or loss at 30 June 2021.

Reconciliation of movements in equity accounted investments for the year are as follows:

	30 June 2021 $'000	30 June 2020 $'000
360 Capital Passive REIT		
Opening balance – 1 July	25,531	17,989
Acquisitions of interest	-	8,477
Equity accounted profit for the year	130	1,355
Distributions	(1,667)	(2,291)
Closing Balance	**23,994**	25,531
Global Data Centre Group		
Opening balance – 1 July	41,005	-
Recognition on deconsolidation	-	39,667
Acquisitions of interest	-	3,131
Equity accounted profit for the year	2,846	1,202
Equity accounted reserves	(798)	(818)
Distributions	(261)	(2,176)
Dilution loss on deemed disposal	(230)	-
Closing Balance	**42,562**	41,005

Note 7: Investments equity accounted (continued)

	30 June 2021 $'000	30 June 2020 $'000
360 Capital Enhanced Income Fund		
Opening balance – 1 July	-	-
Transfer in from financial assets at FVTPL	3,539	-
Equity accounted profit for the year	64	-
Transfer out to financial assets at FVTPL	(3,603)	-
Closing Balance	**-**	-
Total equity accounted investments at 30 June 2021	**66,556**	66,536

The following table provides summarised financial information relating to 360 Capital Passive REIT:

	30 June 2021 $'000	30 June 2020 $'000
360 Capital Passive REIT		
Current assets	190,392	118,954
Non-current assets	-	12,072
Current liabilities	(71,009)	(3,261)
Net assets	**119,383**	**127,765**
Trust's carrying amount of investment	**23,994**	**25,531**
	$'000	**$'000**
Revenue from continuing operations	1,398	6,956
Other income	50	362
Expenses	(795)	(1,127)
Total comprehensive income for the year	**653**	6,191
Tax benefit/(expense)	-	-
Net Profit after tax	**653**	6,191
Trust's share of profit	**130**	1,355

Note 7: Investments equity accounted (continued)

The following table provides summarised financial information relating to GDC:

	30 June 2021 $'000	30 June 2020 $'000
Global Data Centre Group		
Current assets	25,875	66,477
Non-current assets	137,932	46,071
Current liabilities	(3,573)	(3,363)
Non-current liabilities	(22,676)	-
Net assets	**137,558**	109,185
Net assets attributable to NCI	9,221	308
Net assets attributable to unitholders	128,337	108,877
Trust's carrying amount of investment	**42,562**	41,005
	$'000	**$'000**
Revenue from continuing operations	7,901	2,254
Other income	11,956	5,607
Expenses	(11,076)	(4,028)
Total comprehensive income for the year	**8,781**	**3,833**
Tax benefit/(expense)	323	216
Net Profit after tax	**9,104**	**4,049**
Trust's share of profit	**2,846**	**1,202**

Note 8: Trade and other payables

	30 June 2021 $'000	30 June 2020 $'000
Trade payables	26	-
Accruals	94	116
	120	116

All trade and other payables are expected to be settled within 12 months.

Note 9: Provisions

	30 June 2021 $'000	30 June 2020 $'000
Distribution payable	2,300	2,309
	2,300	2,309

Note 10: Equity

(a) Issued capital

	30 June 2021 000's	30 June 2020 000's
360 Capital Investment Trust - Ordinary units issued[1]	**218,998**	218,373

1. Excluding ESP securities on issue and EIS rights issued

	$'000	$'000
360 Capital Investment Trust - Ordinary units issued[1]	**195,395**	194,877

(b) Movements in issued capital

Movements in issued capital of the Trust for the year were as follows:

Issued capital – number of units	30 June 2021 000's	30 June 2020 000's
Opening balance at 1 July	218,373	218,373
Securities issued	625	-
Closing balance at 30 June	**218,998**	**218,373**

Issued capital - $'000	$'000	$'000
Opening balance at 1 July	194,877	194,880
Securities issued - scrip	527	-
Transaction costs incurred in issuing capital	(9)	(3)
Closing balance	**195,395**	**194,877**

During the year, the Group issued fully paid TGP stapled securities as consideration for an off-market takeover offer. The offer included both a cash and scrip component, the shares acquired through the offer were held in a related entity across the stapled group structure and is not reflected in the assets of the consolidated entity.

Under Australian Accounting Standards, securities issued under the 360 Capital Group ESP are required to be accounted for as options and are excluded from total issued capital, until such time as the relevant employee loans are fully repaid or the employee leaves the Group. Total ordinary securities issued as detailed above is reconciled to securities issued on the ASX as follows:

	30 June 2021 000's	30 June 2020 000's
Total ordinary units disclosed	218,998	218,373
Issued capital – ESP issued in August 2017	11,050	12,500
Total units issued on the ASX	**230,048**	230,873

Note 10: Equity (continued)

(c) Share Based Payment Schemes

Reconciliation of Shares and Rights outstanding under SBP Schemes

Plan	Balance 1 July 20 Securities	Issued	Vested	Forfeited/ Cancelled	Balance 30 June 21 Securities
LTI – 23 December 2019	1,755,600	-	-	(119,000)	1,636,600
LTI - 21 October 2020	-	2,189,800	-	-	2,189,800
	1,755,600	2,189,800	-	(119,000)	3,826,400
ESP - 2 August 2017	12,500,000	-	-	(1,450,000)	11,050,000
	12,500,000	-	-	(1,450,000)	11,050,000
Total	**14,255,600**	**2,189,800**	**-**	**(1,569,000)**	**14,876,400**

Plan	Balance 1 July 2019 Securities	Issued	Vested	Forfeited/ Cancelled	Balance 30 June 2020 Securities
LTI – 23 December 2019	-	1,755,600	-	-	1,755,600
ESP - 2 August 2017	12,500,000	-	-	-	12,500,000
Total	12,500,000	1,755,600	**-**	**-**	**14,255,600**

On 2 August 2017 and 13 October 2017, a total of 12,500,000 stapled securities were granted to employees of the Stapled Group under the 360 Capital Group ESP. The issue price per security was $0.98 which was equal to the volume weighted average price for the 10 days preceding the issue date. In September 2020, 1,350,000 ESP securities were bought back and cancelled at face value and the corresponding loans were repaid. The average price of the securities cancelled was $1.01. In April 2021, a further 100,000 ESP securities were bought back and cancelled at face value, repaying corresponding loans. The average price of the securities cancelled was $0.94. A total of 11,050,000 ESP securities remain outstanding as at 30 June 2021. These ESP securities are not included in the calculation of the basic number of stapled securities on issue due to the non-recourse nature of the associated ESP loans.

The employees who participated in the ESP were also provided with a loan on the grant date of an amount equivalent to the face value of the securities. Interest on the loan is equal to any distributions or dividends paid on the securities over the 3 year period, and should performance hurdles not be met, or participants elect not to repay the loan, then the Board, at its discretion, will either sell or cancel the securities.

Securities under the ESP were due to vest on 1 August 2020. Given the security price volatility triggered by the COVID-19 pandemic, together with ongoing market and economic uncertainty, the Board decided to extend the vesting period by up to 12 months to 1 August 2021, subject to certain conditions. Securityholder approval was received at the Group's AGM in November 2020 for the extension of the vesting period for Directors.

The 2017 ESP hurdles were not met by the extended vesting date of 1 August 2021 and therefore the securities did not vest, the securities will subsequently be bought back and cancelled, and corresponding loans repaid.

Following the forfeiture of securities under 2017 ESP in August 2021 the Remuneration Committee considered and recommended to the Board who approved a payment of $250,000 to be made to the Managing Director and each KMP based on their continued employment to 30 June 2022. Christopher Chase in acceptance of the payment also agreed to forfeit his ESP securities which were not due to vest until 27 August 2022.

Performance Rights

On 23 December 2019, a total of 1,364,200 and 391,400 performance rights were granted under Long Term Incentive offer (2019 LTI rights) to KMPs and staff respectively pursuant to the terms of the 360 Capital Group Executive Incentive Plan (EIP), exercisable from on or around 31 August 2022 (vesting date) subject to vesting conditions. The fair value of each performance right was $0.81 at the issue date. Upon vesting and exercise in accordance with those plan terms, each performance right will vest and entitle the holder to one fully paid ordinary security (ASX:TGP).

Note 10: Equity (continued)

On 21 October 2020, a total of 1,589,300 and 600,500 performance rights were granted under the Group's Long Term Incentive (LTI) offer (2020 LTI rights) to KMPs and staff respectively pursuant to the terms of the 360 Capital EIP, exercisable from on or around 31 August 2023 (vesting date) subject to vesting conditions. The fair value of each performance right was $0.37 at the issue date. Upon vesting and exercise in accordance with those plan terms, each performance right will vest and entitle the holder to one fully paid ordinary security (ASX:TGP).

Note 11: Cash and cash equivalents

(a) Reconciliation of cash and cash equivalents

	30 June 2021 $'000	30 June 2020 $'000
Cash at bank	2,968	69,479
Cash and cash equivalents in the statement of cash flows	**2,968**	69,479

(b) Reconciliation of net profit to net cash inflows from operating activities

	30 June 2021 $'000	30 June 2020 $'000
Net profit for the year	1,712	4,464
Adjustment for:		
Provision for/(reversal of) loss allowance	(10)	10
Net (gain)/loss on fair value of financial assets	(143)	89
Net loss on deconsolidation of controlled entity	61	-
Net gain on disposal of financial assets	(49)	(18)
Transaction costs	12	15
Share of equity accounted profits, net of distributions received	(1,112)	(1,092)
Other comprehensive loss	1,028	-
Change in assets and liabilities		
Decrease in receivables and prepayments	1,200	1,659
Increase/(decrease) in creditors and accruals	4	(367)
Net cash inflows from operating activities	**2,703**	4,760

Risk

This section of the notes discusses the Groups' exposure to various risks and shows how these could affect the consolidated entity's financial position and performance.

Note 12: Basis of preparation

a) Reporting entity

The financial report of 360 Capital Investment Trust comprises the consolidated financial statements of 360 Capital Investment Trust and its controlled entities. The consolidated entity forms part of the stapled entity, 360 Capital Group (Stapled Group) (ASX: TGP) comprising 360 Capital Group Limited and its controlled entities and 360 Capital Investment Trust and its controlled entities. A 360 Capital Group stapled security comprises one 360 Capital Group Limited share stapled to one 360 Capital Investment Trust unit to create a single listed entity traded on the ASX. The stapled security cannot be traded or dealt with separately.

The registered office and the principal place of business is Level 8, 56 Pitt Street, Sydney NSW 2000 Australia. The nature of operations and principal activities of the consolidated entity are disclosed in the Directors' report.

The financial report was approved for issue by the Board on 26 August 2021.

The principal accounting policies adopted in the preparation of the financial report are set out below and in Note 24.

b) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report complies with International Financial Reporting Standards as issued and interpretations adopted by the International Accounting Standards Board.

c) Basis of preparation

360 Capital Investment Trust and its controlled entities are for-profit entities for the purpose of preparing the financial report.

The financial report has been prepared on accruals basis and on the historical cost basis except for investment properties, financial assets and financial liabilities, which are stated at their fair value or amortised cost. The accounting policies set out in Note 24 have been applied consistently to all periods presented in this financial report and to all entities in the consolidated entity.

The financial report is presented in Australian dollars.

The consolidated entity is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC). In accordance with that Instrument, amounts in the financial report and Directors' report have been rounded to the nearest thousand dollars, unless otherwise stated.

d) Critical judgements and significant accounting estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Note 12: Basis of preparation (continued)

The critical accounting estimates, judgements and assumptions have required additional analysis due to the COVID-19 pandemic. Given the effects of the COVID-19 global pandemic continue to unfold and the ultimate impact are still unknown, changes to estimates and assumptions used to measure assets and liabilities may arise in the future. Other than adjusting events which provide evidence of conditions which existed at the reporting date, the impact of events that arise subsequent to the reporting date will be accounted for in future reporting periods.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities are:

Control of entities
The Trust has consolidated the financial results of entities it is deemed to control under AASB10 *Consolidated Financial Statements*. Critical judgements are made by the Trust to determine whether control exists, principally around the three criteria which must be met (refer to Note 24(b)). Further information on Controlled Entities is included in Note 15.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are disclosed in Note 24.

Certain new or amended Australian Accounting Standards have been published that are not mandatory for this reporting period. Based on management's assessment, the recently issued or amended Accounting Standards are not expected to have a significant impact on the amounts recognised or disclosures made in this financial report when restated for the application of the new or amended Accounting Standards.

The consolidated entity has applied the amendments contained in the Corporations Amendment (Corporate Reporting Reform) Bill 2010 in the preparation of this financial report which allows for removing the requirement in consolidated financial statements to include full parent entity information. A note containing information about the Parent Entity has been included at Note 23.

e) Changes in accounting policies and disclosures

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

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The following amendments to the Australian Accounting Standards (AAS) are applicable to this Financial Report.

- AASB 2018-6 Amendments to AASs - *Definition of a Business*
- AASB 2018-7 Amendments to AASs - *Definition of Material*
- AASB 2019-1 Amendments to AASs - *References to the Conceptual Framework*

These amendments have been deemed not to have a material impact to the consolidated entity. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 13: Capital management

Under the direction of the Board, the consolidated entity manages its capital structure to safeguard the ability of the consolidated entity to continue as a going concern while maximising the return to unitholders through the optimisation of net debt and total equity balances.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends and distributions paid to unitholders, return capital to unitholders, issue new units or sell assets to reduce debt.

For information on issued units refer to Note 10.

Note 14: Other financial assets and liabilities

Overview
The consolidated entity's activities expose it to various types of financial risks including credit risk, liquidity risk, and market risk. The Board of Directors of the Responsible Entity has responsibility for the establishment and oversight of the risk management framework ensuring the effective management of risk.

The Board has developed risk management principles and policies and monitors their implementation. Policies are established to identify and analyse the financial risks faced by the consolidated entity, to set appropriate risk limits and controls, and monitor the risks and adherence to limits. The Board meets regularly to review risk management policies and systems and ensure they reflect changes in market conditions and the consolidated entity's activities.

The nature and extent of the financial instruments and the risk management policies employed by the consolidated entity are discussed below.

a) Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The consolidated entity is exposed to credit risk through the financial assets listed in the table below. The table also details the maximum exposure to credit risk for each class of financial instrument.

	30 June 2021 $'000	**30 June 2020 $'000**
Cash and cash equivalents	2,968	69,479
Receivables	730	1,958
Financial assets at fair value through profit or loss	3,964	3,837
Total	**7,662**	75,274

The consolidated entity manages credit risk and the losses which could arise from default by ensuring that parties to contractual arrangements are of an appropriate credit rating, or do not show a history of defaults. At reporting date, there are no issues with the credit quality of financial assets, there are no amounts past due or impaired, and all amounts are expected to be received in full.

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 consolidated entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Note 14: Other financial assets and liabilities (continued)

Interest rate risk
The consolidated entity's interest rate risk arises from borrowings and cash balances. Borrowings are at variable interest rates and expose the consolidated entity to cash flow interest rate risk. The consolidated entity utilises derivative financial instruments to hedge exposure to fluctuations in interest rates.

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate by maturity period is:

	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing in 1 to 5 years	Fixed interest maturing in more than 5 years	Non-interest bearing	Total
	$'000	$'000	$'000	$'000	$'000	$'000
30 June 2021						
Financial assets						
Cash and cash equivalents	2,968	-	-	-	-	2,968
Receivables	-	-	-	-	730	730
Financial assets at fair value through profit or loss	-	-	-	-	3,964	3,964
Due from related entities	-	-	-	-	95,811	95,811
Total financial assets	**2,968**	**-**	**-**	**-**	**100,505**	**103,473**
Financial liabilities						
Trade and other payables	-	-	-	-	120	120
Total financial liabilities	**-**	**-**	**-**	**-**	**120**	**120**
Net financial assets	**2,968**	**-**	**-**	**-**	**100,385**	**103,353**
30 June 2020						
Financial assets						
Cash and cash equivalents	69,479	-	-	-	-	69,479
Receivables	-	-	-	-	1,958	1,958
Loans receivable	-	19,800	-	-	-	19,800
Financial assets at fair value	-	-	-	-	2,928	2,928
Due from related entities	-	-	-	-	15,638	15,638
Total financial assets	69,479	19,800	-	-	20,524	109,803
Financial liabilities						
Trade and other payables	-	-	-	-	116	116
Total financial liabilities	-	-	-	-	116	116
Net financial assets	69,479	19,800	-	-	20,408	109,687

Note 14: Other financial assets and liabilities (continued)

Summarised interest rate sensitivity analysis

The table below illustrates the potential impact a change in interest rates by +/-1% would have had on the consolidated entity's profit.

		Change in interest rate			
		-1%	1%	-1%	1%
	Carrying amount	Profit	Profit	Net assets	Net assets
	$'000	$'000	$'000	$'000	$'000
30 June 2021					
Financial assets					
Cash and cash equivalents	2,968	(30)	30	(30)	30
Total (decrease) increase		**(30)**	**30**	**(30)**	**30**
30 June 2020					
Financial assets					
Cash and cash equivalents	69,479	(695)	695	(695)	695
Total (decrease) increase		(695)	695	(695)	695

Liquidity risk

Liquidity risk is the risk that the consolidated entity will not be able to meet its financial obligations as they fall due. The Board has a policy of prudent liquidity risk management ensuring that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the consolidated entity's reputation.

The consolidated entity monitors its exposure to liquidity by ensuring that there is sufficient cash on hand to meet the contractual obligations of financial liabilities as they fall due.

The maturities of financial liabilities at reporting date based on the contractual terms of each liability in place at reporting date have been disclosed in a table below. There are no financial liabilities where the fair value would be materially different from the amortised cost. The amounts disclosed are based on undiscounted cash flows.

The following are contractual maturities of financial liabilities, including estimated interest payments (using existing variable interest rates):

	Carrying amount	Contractual cash flow	Less than 1 Year	Between 1-5 Years	Over 5 Years
	$'000	$'000	$'000	$'000	$'000
30 June 2021					
Trade and other payables	120	(120)	(120)	-	-
Distribution payable	2,300	(2,300)	(2,300)	-	-
	2,420	**(2,420)**	**(2,420)**	**-**	**-**
30 June 2020					
Trade and other payables	116	(116)	(116)	-	-
Distribution payable	2,309	(2,309)	(2,309)	-	-
	2,425	**(2,425)**	**(2,425)**	**-**	**-**

Note 14: Other financial assets and liabilities (continued)

Price risk
Price risk is the risk that the fair value of investments will change as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or factors affecting all instruments in the market.

The consolidated entity is exposed to equity securities price risk. This arises from investments held by the consolidated entity and classified on the statement of financial position as financial assets at fair value through profit or loss. The consolidated entity is not exposed to commodity price risk. Any change in fair value is reflected in the income of the consolidated entity.

The Trust's overall risk to exposures from investments is monitored and managed by the Board, with an established investment and risk framework governing the composition of the securities held by the consolidated entity.

Price risk – sensitivity analysis
A fluctuation of 1% in the market price of underlying equity securities/units, with all other variables held constant, would impact the net profit and net assets of the consolidated entity by an increase/(decrease) of $39,640 (2019: $38,370).

Fair values
The fair value of receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

Fair value hierarchy
All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows and based on the lowest level input that is significant to the fair value measurements as a whole:

Level 1 – Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
Level 2 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
Level 3 – Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

For financial instruments that are recognised at fair value on a recurring basis, the consolidated entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

As at 30 June 2021, the consolidated entity held the following classes of financial instruments measured at fair value:

	Total	**Level 1**	**Level 2**	**Level 3**
	$'000	**$'000**	**$'000**	**$'000**
30 June 2021				
Financial assets				
Financial assets at fair value through profit or loss	**3,964**	3,964	-	-
30 June 2020				
Financial assets				
Financial assets at fair value through profit or loss	3,837	1,611	-	2,226

During the year, there were no transfers between Level 1 and Level 2 fair value measurements, and no other transfers into or out of Level 3 fair value measurements. Fair value hierarchy levels are reviewed on an annual basis unless there is a significant change in circumstances indicating that the classification may have changed.

Note 14: Other financial assets and liabilities (continued)

Reconciliation of fair value measurements categorised within the Level 3 hierarchy for the year is as follows:

	30 June 2021 $'000	30 June 2020 $'000
Balance at 1 July	2,226	2,183
Financial assets acquired	-	1,750
Financial assets disposed	(2,226)	(2,183)
Fair value adjustment of financial assets	-	476
Closing balance	-	2,226

Valuation techniques

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss may include investments in listed and unlisted assets. The value of investments in the listed market is stated at unit price as quoted on the ASX at reporting date. As such, listed investments are categorised as Level 1 instruments.

Group Structure

This section of the notes provides information which will help users understand how the group structure affects the financial position and performance of the consolidated entity.

Note 15: Business combinations and acquisition of non-controlling interests

There were no business combinations and acquisitions of non-controlling interests during the year ended 30 June 2021.

Business combination details from the prior period are detailed below:

Global Data Centre Group (ASX: GDC) - formerly 360 Capital Digital Infrastructure Fund (ASX: TDI)
On 2 July 2019 GDC was established and the Trust subscribed for 12,875,001 units in the fund for $25,000,002 representing 100% ownership of GDC. 360 Capital FM Limited (CFML) was appointed as responsible entity of GDC. The Trust is deemed under AASB10 *Consolidated Financial Statements* to control GDC as it owns 100% of the fund.

On 17 September 2019, GDC issued 12,874,999 additional units for $24,999,998. The Trust subscribed for 7,321,239 of these units for $14,215,998, which led to an overall dilution in the Trust's ownership of GDC to 78.4%. The Trust is deemed under AASB10 *Consolidated Financial Statements* to control GDC as it continues to hold a 78.4% interest in GDC. At the date of dilution, the fair value of assets and liabilities was $25.0 million leading to a nil gain or loss on dilution.

On 31 October 2019, GDC became listed on the ASX (formerly ASX:TDI) and issued 32,500,000 additional units for $65,000,000 as part of the IPO. The Trust subscribed for 1,565,571 of these units for $3,131,142, which led to an overall dilution in the Trust's ownership of GDC to 37.4%. The Trust is deemed under AASB10 *Consolidated Financial Statements* to no longer control GDC as its ownership of GDC is below 50%. GDC was deconsolidated from this date and as the Trust then has significant influence over GDC, the fair value of GDC has been established as the initial carrying value of the equity accounted associate and equity accounting has been performed from 31 October 2019 through to the reporting date.

Note 16: Business divestment

Business divestment transactions during the year ended 30 June 2021 are detailed below. There were no divestment transactions in the prior period.

360 Capital Active Value Equity Fund (CAVEF)
During the year, CAVEF liquidated a significant portion of its investments. Cash from the sale of investments was used to fund the redemption of all units held by the consolidated entity.

Redemptions occurred over two transactions as set out below, over which all of the consolidated entity's units in CAVEF were redeemed and subsequently cancelled.

	$'000
Consideration received on redemption of CAVEF units	
Cash receipt – redemption on 31 July 2020	1,626
Cash receipt – redemption on 24 September 2020	1,982
Total consideration received	**3,608**

Note 16: Business divestment (continued)

Up until the final redemption on 24 September 2020, the Trust consolidated CAVEF into its financial statements. The details of the deconsolidation upon the final redemption are as follows:

	$'000
Assets	
Cash and cash equivalents	40
Financial assets at fair value through profit or loss	2,226
Liabilities	
Trade and other payables	(16)
Carrying value of assets divested	2,250
Less: Non-controlling interests	(206)
Carrying value of assets divested excluding non-controlling interest	**2,044**
Consideration received	1,982
Net loss on disposal	**(62)**
Net gain on disposal recognised on 31 July 2020	1
Net loss on disposal recognised during the year	**(61)**

Note 17: Subsidiaries and controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities:

			Equity Holding	
Name of entity	**Country of domicile**	**Equity Class**	**30 June 2021 %**	**30 June 2020 %**
Trafalgar Opportunity Fund No.4	Australia	Ordinary units	100	100
360 Capital Trust	Australia	Ordinary units	100	100
360 Capital Retail Fund	Australia	Ordinary units	100	100
360 Capital Diversified Property Fund	Australia	Ordinary units	100	100
360 Capital DIP Trust	Australia	Ordinary units	100	100
360 Capital Active Value Equity Fund [1]	Australia	Ordinary units	-	94.8

[1] During the year the Trust divested its interest in 360 Capital Active Value Equity Fund, its results up to the date of divestiture were consolidated into the financial statement. See Note 16 for details.

Unrecognised Items

This section of the notes provides information about items that are not recognised in the financial statements as they do not (yet) satisfy the recognition criteria.

Note 18: Commitments and contingencies

Capital commitments
As at 30 June 2021, the consolidated entity had no capital commitments (2020: Nil).

Contingencies

There are no other contingent liabilities as at 30 June 2021 (2020: Nil).

Note 19: Events subsequent to balance date

Post balance date, the Group announced that as part of its rationalisation of investment strategies, it has wound up 360 Capital Active Value Equity Fund, sold Ralton Asset Management and has commenced a formal sale process on its co-investment and management rights to its Digital Infrastructure interests, including Global Data Centre Group (ASX:GDC) after receiving numerous approaches to acquire various interests in the Group's Digital Infrastructure interests. This process may take some time and there is no certainty that a transaction will occur.

No other circumstances have arisen since 30 June 2021 that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Other Information

This section of the notes includes information that must be disclosed to comply with prescribed accounting standards and other pronouncements, but that are not immediately related to individual line items in the financial statements.

Note 20: Auditor's remuneration

	30 June 2021 $	30 June 2020 $
Audit services		
Fees for auditing the statutory financial reports of the parent and its controlled entities	23,710	19,000
Fees for other assurance services under other legislation or contractual arrangements where there is discretion as to whether the service is provided by the auditor or another firm	-	4,000
Non-audit services		
Taxation compliance services	27,950	25,300
Total fees to Ernst & Young Australia	**51,660**	**48,300**

Note 21: Earnings per unit

	30 June 2021 ¢	30 June 2020 ¢
Basic earnings per unit	0.8	2.0
Diluted earnings per unit	0.7	1.9

	$'000	$'000
Basic and diluted earnings		
Profit attributable to unitholders of the consolidated entity used in calculating earnings per unit	1,712	4,302

	000's	000's
Weighted average number of units used as a denominator		
Weighted average number of units - basic	218,543	218,373
Weighted average number of units - diluted	230,005	230,873

Dilution

As at 30 June 2021, there is a total of 11,050,000 stapled securities outstanding that have been granted to employees of the Stapled Group under the 360 Capital Group Employee Security Plans (ESP). These ESP securities have an associated loan to the employees and are therefore excluded from the calculation of basic securities on issue due to the non-recourse nature of the associated ESP loans.

Further information on the ESP is provided in Note 10.

Note 22: Related party transactions

Parent entity

The legal parent entity is 360 Capital Investment Trust (ARSN 104 552 598).

Controlled entities

Interests in controlled entities are set out in Note 17.

Responsible Entity

The Responsible Entity of the Trust is 360 Capital FM Limited. The immediate parent entity of the Responsible Entity is 360 Capital Property Limited (ABN 46 146 484 433), and its ultimate parent entity is 360 Capital Group Limited (ABN 18 113 569 136).

The following significant transactions occurred with related parties during the year:

Investment in 360 Capital Enhanced Income Fund (ASX: TCF)

In July and August 2020, 360 Capital Diversified Property Fund, a subsidiary of the Trust, acquired 639,958 units in 360 Capital Enhanced Income Fund (ASX:TCF) (formerly known as Australian Enhanced Income Fund (ASX:AYF) on market, representing a 19.9% holding on 13 August 2020. Total consideration paid was $3.6 million.

On 22 July 2020, 360 Capital Group put forward a proposal to AYF unitholders to remove the manager, Elstree Investment Management Limited and appoint 360 Capital FM Limited as responsible entity of the fund. On 9 September 2020, unitholders of AYF formally approved the change of responsible entity to 360 Capital FM Limited and the name of the fund changed to 360 Capital Enhanced Income Fund (ASX:TCF).

TCF processed a number of redemptions totalling $11.2 million during the period and completed a $12.1 million capital raise in December 2020. As a result, the Trust's ownership percentage of TCF fluctuated throughout the year to 37.1% on 9 September 2020 and up to 45.3% in December, before being diluted down to 18.5% as a result of the capital raise on 17 December 2020. Accordingly, TCF is equity accounted for the period from 9 September 2020 to 17 December 2020, and held at fair value through profit or loss at 30 June 2021.

Redemption from 360 Capital Active Value Equity Trust (CAVEF)

During the year, 360 Capital Active Value Equity Fund (CAVEF) redeemed all of the units held by the Trust for consideration totalling $3.6 million. CAVEF is consolidated into the financial statements as a subsidiary from 1 July 2020 up until the final redemption of units on the 24 September 2020. The details of the deconsolidation can be found in Note 16.

Key management personnel

The consolidated entity does not employ personnel in its own right. However, it has an incorporated Responsible Entity, 360 Capital FM Limited (previously 360 Capital Investment Management Limited), to manage the activities of the consolidated entity. The Directors and key management personnel of the Responsible Entity are detailed below. No compensation is paid directly by the consolidated entity to Directors or to any of the key management personnel of the Responsible Entity.

Payments made by the consolidated entity to the Responsible Entity do not specifically include any amounts attributable to the compensation of key management personnel.

Directors

David van Aanholt (Chairman)
Tony Robert Pitt
William John Ballhausen
Andrew Graeme Moffat
Graham Ephraim Lenzner (retired 31 March 2021)

KMP

Tony Pitt, Managing Director
Glenn Butterworth, Chief Financial Officer and Joint Company Secretary
James Storey, Head of Real Assets
Christopher Chase, Head of Private Credit
Dennison Hambling, Head of Public & Private Equity – role made redundant on 1 July 2021

Note 22: Related party transactions (continued)

Securities held in 360 Capital Group by Directors

	Held at 1 July 2020	Granted as remuneration	Acquisition	Disposal	Held at 30 June 2021
David van Aanholt	377,650	-	-	-	377,650
William Ballhausen	500,000	-	-	-	500,000
Graham Lenzner[1]	352,409	-	-	(352,409)	-
Andrew Moffat	1,057,050	-	42,950	-	1,100,000
	2,287,109	-	42,950	(352,409)	1,977,650

1. Graham Lenzner resigned from the Board effective 31 March 2021 therefore his securities are not included at 30 June 2021

Securities held in 360 Capital Group by key management personnel

	Held at 1 July 2020	Granted as remuneration	Acquisition	Disposal	Held at 30 June 2021
Tony Pitt	67,500,000	-	200,000	-	67,700,000
Glenn Butterworth	3,262,926	-	-	-	3,262,926
James Storey	3,000,000	-	-	-	3,000,000
Christopher Chase	1,000,000	-	-	-	1,000,000
Dennison Hambling	1,000,000	-	-	(879,115)	120,885
	75,762,926	-	200,000	(879,115)	75,083,811

The following loans have been provided to KMP through their participation in the 360 Capital Group employee security plan:

KMP	Balance at start of the year $	ESP loans issued during the year $	Interest charged in the year $	Payments made during the year $	Balance at end of the year $	Highest indebtedness during the year $
Tony Pitt	2,940,000	-	120,000	(120,000)	2,940,000	2,940,000
Glenn Butterworth	2,940,000	-	120,000	(120,000)	2,940,000	2,940,000
James Storey	2,940,000	-	120,000	(120,000)	2,940,000	2,940,000
Christopher Chase	1,030,000	-	40,000	(40,000)	1,030,000	1,030,000
	9,850,000	-	400,000	(400,000)	9,850,000	9,850,000

The loan provided on the grant date was equivalent to the face value of the securities. Existing loans at the beginning of the year were granted on 2 August 2017 as part of the Group's ESP. Interest on the loan is equal to any distributions or dividends paid on the securities over the 3 year period, and should performance hurdles not be met, or participants elect not to repay the loan, then the Board, at its discretion, will either sell or cancel the securities. For further information on these loans refer to Note 10.

Note 22: Related party transactions (continued)

Due from/to related entities

The following amounts are outstanding with related parties at balance date:

	30 June 2021 $	30 June 2020 $
Current Assets		
Due from 360 Capital Group Limited	95,811,106	15,637,809
	95,811,106	15,637,809

Related entity loans are unsecured, non-interest bearing and payable on demand.

Responsible Entity's fees

Under the terms of the constitution, the Responsible Entity is entitled to receive management fees. During the year the Responsible Entity charged management fees totalling $715,800 (2020: $730,200).

Note 23: Parent entity disclosures

The following details information relating to the parent entity 360 Capital Investment Trust.

	30 June 2021 $'000	30 June 2020 $'000
Current assets	105,688	69,677
Non-current assets	83,357	106,480
Total assets	**189,045**	176,157
Current liabilities	2,668	2,574
Non-current liabilities	76,400	53,364
Total liabilities	**79,068**	55,938
Issued capital	277,323	277,698
Accumulated losses	(167,346)	(157,479)
Total equity	**109,977**	120,219
Net profit for the year	660	182
Total comprehensive income for the year	**660**	182

Note 24: Statement of significant accounting policies

a) Changes in accounting policy

There were no changes to the Trust's accounting policies for the year. New or amended Accounting Standards effective from this financial reporting period, as detailed in Note 12, have been deemed not to have a material impact to the consolidated entity.

b) Basis of consolidation

Stapling
On 2 October 2013, 360 Capital Group was formed by stapling together the shares of the 360 Capital Group Limited (Company) and the units of 360 Capital Investment Trust (Trust). Equity holders of the Stapled Group are entitled to an equal interest in each stapled entity.

The Constitutions of the Trust and the Company ensure that, for so long as these entities remain jointly listed, the number of units in the Trust and the number of shares in the Company shall be equal and that unitholders and shareholders be identical. Both the Responsible Entity of the Trust and the Company must at all times act in the best interest of 360 Capital Group.

The stapling arrangement will cease upon the earlier of the winding up of any of the stapled entities, or any of the entities terminating the stapling arrangement.

Business combination
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the consolidated entity elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the consolidated entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the consolidated entity re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the statement of profit or loss.

Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Trust as at 30 June 2021 and the results of all subsidiaries for the period then ended.

Subsidiaries are entities controlled by the Trust. Control exists when an investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of subsidiaries are included in the financial report from the date that control commences until the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between consolidated entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Note 24: Statement of significant accounting policies (continued)

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Investments in subsidiaries are accounted for at cost in the individual financial statements of the parent entity, less any impairment.

c) Segment reporting

Segment information is presented in respect of the consolidated entity's operating segments, which are the primary basis of segment reporting. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other operating segments. The primary segments are based on the consolidated entity's management and internal reporting structure.

Operating segments are determined based on the information which is regularly reviewed by the Managing Director, who is the Chief Operating Decision Maker within the consolidated entity.

d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of GST paid. Revenue is recognised for the major business activities as follows:

Rental from investment properties
Rental revenue from investment properties is recognised on a straight-line basis over the lease term where leases have fixed increments, otherwise on an accruals basis. Rental revenue not received at reporting date is reflected in the statement of financial position as a receivable or if paid in advance, a current liability. Lease incentives granted are recognised over the lease term on a straight-line basis as a reduction of rental revenue.

Distributions from property funds
Distribution income from investments is recognised when the unitholder's right to receive payment has been established, provided that it is probable that the economic benefits will flow to the unitholder and the amount of income can be measured reliably.

Interest income
Interest income is recognised on a time proportion basis using the effective interest method. 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 basis.

Other income
Other income is recognised when the right to receive the revenue has been established.

e) Finance expenses

Finance expenses which include interest and amortised borrowing costs are recognised using the effective interest rate applicable to the financial liability.

f) Income tax

Under current Australian income tax legislation, the consolidated entity is not liable for income tax provided its taxable income and taxable capital gains are fully distributed to unitholders each year.

Note 24: Statement of significant accounting policies (continued)

g) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

i) Receivables

Receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less any allowance for expected credit losses. The payment terms are usually 30 days after the invoice is raised. They are classified as current assets except where the maturity is greater than 12 months after the reporting date in which case they are classified as non-current.

Amounts not recoverable are assessed at each reporting date. Indicators that an amount is not recoverable include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment. Any allowances for non-recoverable receivables are recognised in a separate allowance account. Any bad debts which have previously been provided for are eliminated against the allowance account. In all other cases bad debts are written off directly to the statement of profit or loss.

j) Financial instruments

Financial assets and financial liabilities are recognised when the consolidated entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets are classified into the following specified categories: "Financial assets at amortised cost", "Financial assets at fair value through other comprehensive income", or "Financial assets at fair value through profit or loss". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

<u>Financial assets at fair value through profit or loss</u>
Financial assets designated at fair value through profit or loss comprises investments in unlisted and listed funds. Upon initial recognition, the investments are designated at fair value through profit or loss in accordance with AASB 9 *Financial Instruments*. The consolidated entity has elected to measure these investments at fair value through profit or loss as allowed under paragraph 18 of AASB 128 *Investments in Associates and Joint Ventures*.

Financial assets designated at fair value through profit or loss at inception, are those that are managed and their performance evaluated on a fair value basis in accordance with the consolidated entity's documented investment strategy. The consolidated entity'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.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risk and rewards of ownership.

Note 24: Statement of significant accounting policies (continued)

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statement of profit or loss within income or expenses in the period in which they arise. Dividend/distribution income from financial assets at fair value through profit and loss is recognised in the statement of profit or loss as part of revenue from continuing operations when the consolidated entity's right to receive payments is established.

Financial liabilities and equity
Financial liabilities and equity instruments issued by the consolidated entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Related party loans
Loans from and to related parties are unsecured, non-interest bearing and payable on demand unless otherwise specified.

Impairment
The Trust assesses expected credit losses upon initial recognition of the financial asset with a forward-looking expected credit loss (ECL) approach for all financial assets not held at fair value through profit or loss. For trade and other receivables, the Trust applies the simplified approach permitted by the standard, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

k) Assets held for sale

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. The assets must meet the following criteria:

- the asset is available for immediate sale in its present condition and is highly probable;
- an active program to locate a buyer and complete a sale must have been initiated;
- the asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale should be completed within 12 months from the date of classification.

Immediately before applying the classification as held for sale, the measurement of the assets is brought up to date in accordance with applicable accounting standards.

Investment properties which are classified as held for sale are carried at fair value as the measurement provisions of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* do not apply to investment properties.

Impairment losses determined at the time of initial classification of the non-current asset as held for sale are included in the statement of profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

l) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the consolidated entity prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Due to their short-term nature they are measured at amortised cost and are not discounted.

m) Provisions

A provision is recognised in the statement of financial position when the consolidated entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate which reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability.

Note 24: Statement of significant accounting policies (continued)

Distributions

A provision for distributions payable is recognised in the reporting period in which the distributions are declared, determined, or publicly recommended by the Directors on or before the end of the financial period, but not distributed at balance date.

n) Issued units

Issued units represent the amount of consideration received for units issued by the consolidated entity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

p) Accounting standards issued but not yet effective

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

360 Capital Investment Trust
Directors' declaration
For the year ended 30 June 2021

In the opinion of the Directors of 360 Capital FM Limited, the Responsible Entity:

1) The consolidated financial statements and notes that are set out on pages 7 to 39 are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

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

   (iii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 12 to the consolidated financial statements; and

2) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

3) The Directors have given the declarations required by Section 295A of the *Corporations Act 2001* from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2021.

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

David van Aanholt
Chairman

Tony Robert Pitt
Managing Director

Sydney
26 August 2021

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working world

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Independent auditor's report to the unitholders of 360 Capital Investment Trust

Report on the audit of the financial report

Opinion

We have audited the financial report of 360 Capital Investment Trust (the Fund) and its controlled entities (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' of 360 Capital FM Limited, the Responsible Entity of the Group.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated 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 Group 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 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

Equity accounted investments

Why significant	How our audit addressed the key audit matter
The Group holds two significant equity accounted investments valued at $66.6m as at 30 June 2021. The accounting policies applied in recognising and measuring the Group's investments are disclosed in Note 7 of the Group's financial report. This area is a key audit matter due to the materiality of the investments to the Statement of Financial Position, and the judgment involved in assessing whether control, joint control or significant influence exists.	Our procedures included the following: ▸ Reviewed investment and shareholder documents in relation to each investment. ▸ Evaluated the Group's assessment as to the method of accounting for each investment for compliance with Australian Accounting Standards. ▸ Confirmed the Group's interest in each investee entity. ▸ Agreed the proportionate share of profit recognised by the Group to the investee's audited financial statements. ▸ Assessed the adequacy of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The directors of 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 Group'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 Group 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 Group'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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Douglas Bain
Partner
Sydney
26 August 2021